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# Latin America Report

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16 June 1980

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BRAZILIAN PRESIDENT'S VISIT TO ARGENTINA VIEWED

Buenos Aires CONVICCION in Spanish 16 May 80 p 24

[Article by Roberto Mardaraz: "The Brazilian Press Rejects a 'Holy Alliance' With Argentina and Supports Bilateral Trade Relations"]

[Text] Thousands of centimeters of columns in newspapers and magazines devoted to President Figueiredo's visit to our country are being introduced into the households, offices and minds of the Brazilians.

They have all assigned a special section of their regular editions to a consideration of the event. But it is not the history of events that we wish to comment on for Argentine readers, since the local press has given generous coverage to the incident.

What is noteworthy is the written opinion of those who, in the pages of major newspapers and magazines, are the conveyors of ideas which germinate among the reading public, form judgments in leading circles and even influence sectors of the national leadership in all areas.

A Selection of Topics

Which topics have captivated our colleagues, and what conclusions have they expressed beyond the borders of the fraternal nation? It may prove very useful to ascertain them.

It should be stressed that the selection of material that has been expounded upon is meant to be that: a selection. Therefore, in this review only the texts which are representative of the general views expressed by the media will be considered.

One of the points underscored by the Brazilian media is the emphatic description of President Figueiredo's trip as "political," such as was stated in this comment: "An old proverb says that the longest journeys start with the first step. And diplomats such as Guerreiro and Comillion think that this first step could be political. The Argentine ambassador has referred to President Figueiredo's political visit to his country. This is the only correct

way of dealing with the problems. Only after a change in the political atmosphere (this objective now appears to have met with a fortunate conclusion) can the relations be placed on a basis of rationality and objective analysis of the respective interests"(JORNAL DO BRASIL, editorial "New Frontier").

Another point stressed by the commentators is related to the danger from exaggerated expectations, or anxiety over the immediate concrete results: "In diplomatic circles there is great fear that Figueiredo's visit may result in a failure, when compared with the expectations that are being created. Argentine diplomats claim that, during the Brazilian president's stay in Buenos Aires, it is important that he and Videla reach an agreement on a political level, ending for once and for all the so-called 'historical antagonism' between the two countries (...) Even now, there are still major sectors of public opinion in both Brazil and Argentina that are opposed to rapprochement at any price. The doors are open for the great historic convergence, changing a political and diplomatic situation marked by conflict for centuries; but both the Brazilian and the Argentine diplomats are calling for great caution, so that all the effort for rapprochement will not be wasted after the euphoria over Figueiredo's visit to Buenos Aires has passed" (O ESTADO DE SAO PAULO, comment by Marcos Wilson).

Another newspaper persists on the topic, as follows: "In recent months, Argentina and Brazil have not succeeded in surmounting several concrete obstacles, something which would allow for the signing of a long list of objective agreements and conventions for cooperation; but despite the fact that the governments had made a tacit pact not to comment on the immediate possibilities of results from the visit, Argentine diplomats are of the opinion that there has been an 'exaggerated euphoria' in Brazil, which might bring about a certain amount of disappointment when the contents of the documents that will be signed at the conclusion of the presidential visit are analyzed this week" (JORNAL DO BRASIL, comment by Rosental Calmon Alves).

#### A Real Power

The third point on which there is consensus among the observers from the major newspapers is that the purposes of the Figueiredo trip are shared by all Brazilians: "It is curious to observe that the kind of spirit that surrounds the president's trip to Argentina is to some extent shared by the most forceful opponents of the government. On 24 April, upon criticizing the fact that the opposition had not been invited to join the delegation that will visit Buenos Aires, Paulo Brossard declared: 'The fact that becomes evident is that Brazil and Argentina, when their resources, their potential, their energy and an extraordinary market are combined, together constitute a real power, in the broadest sense of the term' (JORNAL DO BRASIL, column "Political Affairs," by Luiz Orlando Carneiro).

The fourth point that has been cited in the mass media is the qualitative degree of convergence between Argentina and Brazil: "What significance can the movement of convergence between the two countries have? The answer depends

on the choice of expectations. If what one expected is an ideological convergence that would unite the two countries in a 'holy alliance,' it does not appear that there are sufficient factors for confluence to balance the differences in commitments that already exist (those of each country with other nations). If what is expected is backing for the advent of a new view of the bilateral relations and, under their aegis, the development of commercial, industrial, cultural and other relations, so that, in time, and under different governments, a close interrelationship can still be intensified, then one can look for a notable degree of convergence, and a trip with historic features for President Figueiredo" (O ESTADO DE SAO PAULO, comment by Hugo Martinez).

To conclude, a fifth point deals with the consensus regarding the restating and a new thinking on the subject of the potential of South America and its self-awareness: "South America used to look abroad, and now it is looking at itself. One observes at present that the South American countries are taking a turn to look at themselves, without forming blocs in insulated compartments. There are new, positive signs which indicate a new phase in the relations among the countries of the region" (O GLOBO, article on the Brazilian ambassador to Argentina, Carlos Duarte).

#### A Summary

To summarize: The media claim that the political content of the Brazilian president's trip has lent it a quality of greatness that transcends the current agreements, and calls for a trend of easing tensions in connection with the immediate negotiations. Once again, it is stressed that Figueiredo's goals in Buenos Aires are backed by the entire country, giving notice that the degree of convergence may be extremely important from a qualitative standpoint, but that it is not binding on the signing nations insofar as their independence in foreign policy and internal affairs is concerned. Finally, the combination of Argentine and Brazilian desires which is currently occupying the front pages of the publications has evoked consistent reflections regarding these facts, with a mere glance at the map: the importance of Argentina and Brazil on the South American continent, and the new way of rethinking the problems with a genuine inner view, in the search for the better opportunities that are pulsating in the depths of their land, their rivers and their people.

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WEEKLY EXAMINES BRASILIA-BUENOS AIRES RAPPROCHEMENT

Buenos Aires ULTIMA CLAVE in Spanish 13 May 80 pp 478-7, 478-8

[Text] There are but few in Argentina who doubt that Figueiredo's arrival has been conceived as a vast operation involving plans for a regional division of labor and a distribution of areas of influence devised by individuals who have a very appreciable amount of power.

There is no doubt that, from a supranational standpoint, the reduplication of industries (iron and steel, automotive, electronic) in South America is an expensive waste. Nor is there any doubt that, under the present circumstances, Brazil has undeniable comparative advantages in almost completely absorbing the role of a supplier of durable consumer goods, whereas Argentina has such advantages in the energy and food areas. But, just as recognizing this is a good lesson in realism, the realization that, if these imbalances should become intensified, with the resultant economic specialization, Brazil would become, de facto and de jure, the leading power in South America and Argentina a subordinate associated, should be also. For, compounding the economic risk would be the geopolitical risk of being subjected to a hegemonic system controlled by Brazil, and the demographic risk of being literally invaded by a population avid for food and living space.

From a different standpoint, Figueiredo's visit oddly resembles that made in 1900 by Campos Salles to his Argentine colleague, General Roca. At that time also, Argentina was attempting to bury its differences with Brazil at any price, in view of the seriousness of the conflict with Chile. On that occasion also, there were some who thought that the real, principal conflict was with Brazil, and that the circumstances were making the latter appear as a benevolent observer (or presumable peacemaker) in the geopolitical antagonism of the south.

It is quite possible that, as alarming reports from Rome and Santaigo would indicate, the papal mediation is not achieving all the success that it was expected to have at the outset. On this assumption, Brazil's neutrality is decisive, especially in view of the fact that Chile has reduced the advantages that Argentina presumably had at the end of 1978.

It must also be considered that, owing to its proximity and the vast commercial interests at stake, Martinez de Hoz is very inclined to admit that trade with Brazil could be a key element in his economic plan for openness and a restatement of the entire Argentina economic structure. Brazil's unfriendly gestures (such as the tariff on the entry of Argentine fruit) could be interpreted as a collecting of cards to play the great game that will begin next week. It must also be admitted that Brazil is not to blame for our lag in exchange, and that at present, as in the case of the automobiles, its domestic costs will be less than half those in Argentina.

In any event, a brief review of the topics of cooperation and exchange that comprise the agenda of the two presidents indicates matters of great significance for both participants. Insofar as nuclear negotiations are concerned, it is known that Brazil will export components and equipment resulting from its previous agreements with the Federal Republic of Germany. In the area of hydroelectric undertakings, there will be a discussion of Garabi, on the Uruguay River, a project which, in the opinion of many Argentine technicians, is highly beneficial to Brazil but virtually not at all to Argentina. If it is decided to undertake the project, no one should have any doubt that there will be a "price" to pay for any unapparent Brazilian compensation. There will also be a discussion of the gas pipeline which could be in the works by 1981, to serve as a vehicle for the sale of Argentine gas to Brazil.

The head of Itamaraty, who has been very talkative recently, has taken pains to reiterate that the essential aspect of the negotiations is economic integration, and that geopolitical and/or ideological agreements, such as those which O ESTADO DE SAO PAULO attributed to Foreign Minister Pastor, should be rejected.

Despite this ostensibly idyllic picture, there are some who fear that irreversible steps will be taken, prompted by current concerns. The fact is that it would be very advisable for the Argentines to be told what benefits will accrue to the nation from the agreements that are to be signed.

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SITUATION ON BEAGLE CHANNEL REVIEWED

Samore Invokes Discretion

Buenos Aires CLARIN in Spanish 12 May 80 p 2

[Text] In the opinion of the Chilean daily EL MERCURIO expressed in yesterday's editions, the papal mediation has begun to consider "without looking back" the "principal difficulty" in Chile's border dispute with our country with a view to clearing up basic issues."

What is involved in a story filed from Rome by the deputy editor of said morning paper, Cristian Zegers, who was received by Cardinal Antonio Samore even though not on the basis of a journalist's interview.

Zegers noted: "He indicated to me that, notwithstanding his serious and respectful concern about the role played by the mass media, this process must be concealed from public knowledge, protected by indispensable discretion to achieve success."

Zegers then recalled that the intervention of the Holy See had been requested by Argentina and Chile, "not in a minor category as would have been a request for good offices but rather at the highest level of mediation."

Zegers added that this could not be viewed "as a desperate recourse to save a critical situation such as that faced by Chile and Argentina at the close of 1978 considering that its only purpose is to achieve lasting peace."

Zegers also held that "we have to put aside completely the idea of a dictated formula by the pope, remote from the feeling and resolve that both parties may voice during the negotiations. He agreed that "mediation is not arbitration" and that "the Vatican circles evidence ostensible satisfaction with the terms of the recent joint appeal by the episcopates of Argentina and Chile."

"However," EL MERCURIO suggested through its deputy editor, "at a decisive point of the process it will be difficult to remove oneself from the influence of the Holy Father, directed toward the success of the mediation goal: Lasting peace under just and honorable conditions."

Zegers also asserted that "there is hope of finding new legal formulas that have the power to add elements to the legal context existing today but without supplanting the actual rights which are appreciable in objective terms."

Finally, the story asserted that in Vatican circles it is stressed that "the peaceful outcome of a dangerous issue will not be possible without sacrifices as was noted by the episcopates in their recent joint appeal and which coincides with the aspirations of the Holy See."

#### Evaluation of Talks

Buenos Aires CLARIN in Spanish 14 May 80 p 14

[Text] Vatican City (ANSA [NATIONAL ASSOCIATED PRESS AGENCY])--Tomorrow or the day after tomorrow a meeting is expected to be held by the Argentine and Chilean delegations in the papal mediation concerning the border conflict in the south in the presence of the representative of Pope John Paul II, Cardinal Antonio Samore, and then a start may be made in a new stage of study, reflection, and consultations with the respective governments.

Additionally on said occasion a communique will be drafted for simultaneous distribution at the Vatican, in Buenos Aires, and in Santiago as is customary.

It is probable that the document may state or give to understand that progress has been made in the negotiations and that the distance which separates the parties from a definitive solution has been reduced even more.

It is expected that as on earlier occasions the document will not go into details about possible agreements already reached but that it will provide, even though perhaps between the lines, important means of evaluation respecting the progress of the talks and regarding their prospects.

These periodical communiques, released roughly once a month, are the only source of official information about the progress of the negotiations.

The latest of these reported that "some agreements regarding a few aspects" of the matter had been reached. For the first time the term "results" was used and there was clear talk of the progress made. Some optimism was also deduced as well as a determination to continue the search for solutions.

As regards the events immediately preceding the next document, they date back only to last week when contacts were restored after an interruption of approximately a month.

#### EL MERCURIO

In a new commentary on the southern border dispute the daily EL MERCURIO of Santiago noted yesterday in its lead editorial that one could view the pope's mediation effort with confidence.

GRAFFIGNA REPORTS ON PRIVATE MEETING WITH PINOCHET

Buenos Aires CLARIN in Spanish 14 May 80 p 13

[Text] The commander in chief of the Argentine air force, Brig Gen Omar Domingo Rubens Graffigna, reported yesterday to the other members of the military junta on the talks that he had had last Saturday with the president of Chile, Gen Augusto Pinochet Ugarte, in Vina del Mar.

According to the information made available, the commanders in chief of the army and the navy, Lt Gen Leopoldo Fortunato Galtieri and Adm Armando Lambruschini, also heard from General Graffigna about the results of his trip to Spain, prior to the one he made to Chile where he attended the 20th Conference of Heads of the American Armed Forces.

The Argentine military junta met yesterday for that purpose at the Condor building and in the second part of the meeting it was joined by the Argentine president when a deliberation of the military committee took place.

Overall there were 4 hours of meetings lasting from 1030 to 1430 hours. The head of the joint chiefs of staff, Maj Gen Horacio Tomas Liendo, attended this last function and he proposed for consideration issues discussed with international military organizations, participation in them, and the agreement about legal standards between the military committee and the said general staff.

The official communique, which was made public at the end of the lengthy meeting, stated:

"The customary meeting of the military junta in the Condor building, seat of the general command of the Argentine air force, was held today.

"During the first part of the meeting and after dealing with other issues the commander in chief of the air force made known to the military junta the results of his trip to Spain and of his recent visit to Chile. Subsequently and with the presence of the Argentine president the military junta constituted itself into the military committee in order to handle various issues presented by the head of the joint chiefs of staff pertaining to international military organizations, the method of participating in these, and the agreement on legal standards that concern the military committee and the joint chiefs of staff."



The meeting began at 1030 hours and ended at 1430 hours after which both the members of the military junta and the Argentine president took part in the usual luncheon.

As is known Brig Gen Rubens Graffigna had a "tete-a-tete" meeting with Maj Gen Augusto Pinochet and on returning to Argentina the day before yesterday General Graffigna reported that a private meeting had been involved "in which we broached topics of general interest."

However, it is well known that this was the only personal meeting granted privately by the Chilean president to one of the American air chiefs who was in Chile. His special attitude was even more notable because of the fact that General Pinochet subsequently offered refreshments jointly to all the senior military chiefs.

The best informed sources admitted that the present point in the negotiations concerning the dispute over the two countries' southern border could not fail to surface in the talks and even to occupy an exclusive place in them.

In this respect it was noted that Brig Gen Rubens Graffigna already had had at least two talks with the commander of FACH [Chilean Air Force], Gen Fernando Matthei, and that on both occasions the two chiefs admitted having considered the issue, which is being mediated by Pope John Paul II.

Regarding the meeting lasting nearly an hour that he had had with General Pinochet, Brig Gen Omar Domingo Rubens Graffigna subsequently said in Buenos Aires that "dialogue of this type always have a positive result."

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INTER-AMERICAN AFFAIRS

NICARAGUAN FOREIGN MINISTER DISCUSSES SOMOZIST CAMPS IN HONDURAS

PA250452 Managua Radio Sandino in Spanish 1800 GMT 24 May 80

[Interview with Jacinto Suarez, Nicaraguan acting foreign minister by Eligio Montalban, place and date not given--recorded]

[Excerpts] [Question] Acting foreign minister, we would like to ask you some questions on behalf of Radio Sandino. Companero Suarez, in view of the statements made yesterday by Commander Borge in Revolution Square to the effect that there are more than 20 camps, supposedly of refugees, that house Somozist guardmen who carry out subversive activities, what measures has your ministry taken, or will it take, to alert the Honduran Government about the presence of these camps?

[Answer] The government is well informed about the situation at many gathering places of Somozist criminals. The Government of Honduras has limited itself to acknowledge a Nicaraguan note in this regard and to note that an investigation is taking place.

It catches one's attention to note that when this was announced, we reported fewer camps and sites than those reported yesterday by Commander Borge. It is worth pointing to the conjecture, to the deduction, rather, that the camps, instead of being dismantled, are there.

This seriously concerns our government and, as a first step to make evident the positions of the Governments of Honduras and Nicaragua, we have distributed the document issued by the junta of the government at the time that the assassination of Brigade Member [words indistinct] and the note of 31 March to which I have referred.

This document was given to all the OAS delegations--not asking that the matter be litigated at the OAS, but simply to clearly establish that when the Nicaraguan Government files charges it does so seriously and responsibly.

[Words indistinct] and everybody is aware that what we have charged is true, that there is supporting evidence and that the entire international community and everybody is completely aware of these developments.

[Question] Companero Suarez, in view of the fact that we have received only a note from the Honduran Government acknowledging the note sent by the Nicaraguan Foreign Ministry on 31 March and in view of the claims and warnings of Companero Borge yesterday at Revolution Square, is the Foreign Ministry planning to make the claims official by appealing again to the Honduran Government?

[Answer] We have already issued appeals. That is, we don't want to just issue appeals, appeals and more appeals because we are getting the impression that we are wasting our time. We seriously ask the Honduran Government to reconsider what has happened. We are seriously appealing on behalf of good international relations and on behalf of their responsibility as a government. But sometimes I believe it is useless for a government to appeal and to appeal again and again while the other is playing deaf. We think it is time that the Honduran Government responds not to the Nicaraguan Government but to the whole world, to the international community, about its behavior.

[Question] Companero, one last question. The Honduran Government has repeatedly stated that it has tried to relocate these elements. According to Mr Perez Cadalso, a Honduran Government spokesman, the Government of Honduras has appealed to the UN High Commissioner to determine where these elements can be sent, but since no one wants to receive them there is no alternative but to leave them where they are, doing the harm that they have already initiated in the person of Georgino Andrade. Doesn't the fact that the Honduran Government is shielding itself with these efforts call your attention? And much has been said about [word indistinct] with the cooperation of the United Nations.

[Answer] Look, this is the problem. We are aware of the fact that the position of the Honduran Government is very difficult. It is an uncomfortable position because there are many displaced persons and refugees in its territory. We know that it has appealed to the United Nations and that it has asked for the relocation and care of these refugees. Refugees are one thing and active counterrevolutionaries are something completely different.

That is, we have not asked the Honduran Government to expel those who are there as refugees. You see? Because there could be relatives of guards and national guards who are not involved in counterrevolutionary activities.

What we have said is that in these camps, supposedly of refugees, and in true refugee camps, there are counterrevolutionary activities that they should find a way to control.

CSO: 3010

## INTER-AMERICAN AFFAIRS

### NICARAGUAN TRADE DELEGATION ATTENDS SEMINAR IN CUBA

PA281940 Managua Domestic Service in Spanish 0330 GMT 28 May 80

[Text] A Nicaraguan delegation headed by Domestic Trade Deputy Minister Pedro Blandon participated very successfully in the Second International Seminar on Scientific Research of Market Demand held in Havana, Cuba, a few days ago.

Socialist countries participated in the seminar. Delegations from Mexico, the United States and Nicaragua attended it as guests.

Our proposal was the one most widely accepted among the 25 that were submitted, Companero Blandon said, adding that, outside of the seminar, Cuba offered through Serafin Fernandez, its domestic trade minister, to provide immediate aid in the field of distribution.

However, let us better listen to Companero Blandon give his official report on Nicaragua's participation in the international seminar in Havana:

[Begin recording] We participated by submitting a proposal, 1 out of 25 that were submitted, to the seminar, dealing with the fundamental aspects of the economic reactivation plan for 1980 in the areas of supply, (?consumption) and prices. The presentation was made on 23 May, in the afternoon. It was the last to be submitted to the seminar. It was probably the one most widely accepted and the one that caused the greatest impact among the representatives of other countries.

The idea of the proposal--which was not on the agenda--was to outline the manner in which our government has solved the problem of supply, ignoring the demand that exists in our country because of a lack of information in the past and which we still lack [as heard]. Therefore, it was extraordinarily well received in the sense that problems have been solved with great pragmatism--with a great sense of the actual situation. In this sense, the Cuban brothers were the first to offer to cooperate with us in everything connected with the prediction of demand and the establishment of means and methods to help our ministry draft supply programs for our population in the future.

Aside from our participation in the seminar, we had the opportunity to talk with Companero Serafin Fernandez, the Cuban domestic trade minister, who had just arrived from a trip and met that very same day, Friday, with our domestic trade delegation at a hotel in Havana. We talked for about 2 hours, bringing ourselves up to date on the domestic trade situation. He was also very pleased with the way problems have been gradually solved. At the same time, he offered us immediate aid in the field of distribution as well as information on methods used to stockpile basic grains in storehouses and collection centers throughout Cuba.

As a result of this talk, Cuba will be sending a mission here soon to (?review) our domestic trade situation and determine the specific areas in which technicians can cooperate with us, as well as to establish a two-way program under which their technicians would come here and we would send technicians to Cuba for training. [End recording]

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## INTER-AMERICAN AFFAIRS

### BRIEFS

FIGUEIREDO CONGRATULATES PERU PRESIDENT-ELECT--Brasilia, 2 Jun (LATIN)--In a congratulatory message sent to Fernando Belaunde Terry on his election as constitutional president of Peru, President Joao Figueiredo stated that the Brazilian-Peruvian cooperation will continue to improve. The Brazilian Foreign Ministry disclosed here this afternoon that President Figueiredo's message was sent on 29 May. The message read: "On behalf of the government and the Brazilian people, I wish to send congratulations to your excellency on your election to the presidency of the Republic of Peru, and to extend to you my most cordial wishes for success in the high mission entrusted upon you." The message also added that "The friendship and cooperation between Brazil and Peru should continue growing in the future, in a spirit of broader and closer rapprochement for the benefit of the Brazilian and Peruvian peoples." The Brazilian-Peruvian relations have been strengthened with the recent visit to Brazil by the outgoing Peruvian president, Gen Francisco Morales Bermudez. Sources close to the presidency of the republic stated that President Figueiredo will probably return that visit in 1981. [Text] [PY031215 Buenos Aires LATIN in Spanish 2157 GMT 2 Jun 80]

CSO: 3001

ARGENTINE FOREIGN MINISTER ON RELATIONS WITH BRAZIL, USSR

Buenos Aires CLARIN in Spanish 17 May 80 pp 9, 25

[Interview with the minister of foreign relations, Brig Maj (ret) Carlos Washington Pastor; date and place not given]

[Text] In an exclusive interview granted to CLARIN, the minister of foreign relations, Brig (ret) Carlos Washington Pastor, stated: "By tradition and sovereign desire, Argentina is an ally, but not a satellite."

Pastor added: "This conduct marked by a healthy independence (which has also brought good results in the defense of the nation's many interests) is innate in our tradition as a free nation."

In response to a lengthy questionnaire, the Argentine foreign minister also discussed the relations with the United States, the Soviet Union, Brazil and the nonaligned countries.

He remarked: "I think that we are laying the foundations for a constructive, lasting dialog, after a long eclipse of misunderstanding," after noting that, "a new era has begun with the United States." As for the Soviet Union, he gave notice that a stable, productive diplomatic relationship, which was re-established in 1946, has been retained, "and is continuing in the areas of commerce and technological exchange, despite ideological differences."

Pastor also reiterated that, "The Argentine presence in the nonaligned group does not imply any ideological affiliation;" noting that our country "is acting with complete awareness and with exact goals." Insofar as Brazil is concerned, he observed that the mutual cooperation "planned on the basis of the national interest of each country does not adhere to any inflexible, pre-determined scheme."

The Interview

The complete text of the interview was as follows:

[Question] What are the present goals of Argentine foreign policy over the short, medium and long term?



[Answer] I don't think that we should make a distinction among terms such as you have mentioned. The national goals of foreign policy are permanent, because they relate to the national interest, and those which we are pursuing now are no different from those which our diplomacy has sought traditionally, throughout history. The basic documents of the Military Junta, the National Executive Branch and the Foreign Ministry stipulate guidelines for the attainment of those goals. Hence, what could undergo changes are the ways and means of achieving them, depending on the changes that are constantly occurring in the international situation.

[Question] How would you describe the orientation that marks this policy? Is it based on principles or pragmatic?

[Answer] Based on principles insofar as ideology is concerned. Our strategy coincides with the most complete defense of Western values. It is pragmatic with respect to the recognition of the moving, dynamic and at times contradictory reality of the present international scene. The devising of a policy stems from these two impetuses: The practical reality is dealt with to fulfill the guiding principles.

[Question] What is Argentina's position toward a world wherein international relations have become complex, and new participants are appearing, such as the multinational companies, the international trade union associations, political parties, etc.; associations which have assumed goals relating to public welfare and which are operating on an international scale, as well as regional agencies of various types?

[Answer] Diplomacy is a response to the reality of the world of our time. We must recognize the world for what it is, and not believe that the factors associated with power are the ones that we would like them to be. You have listed factors for power in national and international action. We must count on them to arm our diplomatic response. A true diplomacy must consider the entire reality of the power in our time, so as to effectively fulfill its mission.

[Question] How does San Martin Palace view the problem of bipolarity, and what prospects may be inferred in that conceptual framework for the growth of countries such as Argentina?

[Answer] We know (reality has proven it) that we cannot talk today about a stringent bipolarity other than when we are analyzing border situations, as in the case of a world war. The bipolar system entailed making the smaller countries satellites. Here are other centers of power which must be taken into consideration. In a country such as Argentina, in an advanced state of development, we can expect that it will attain its greatest maneuvering and negotiating potential through an intelligent move in the multipolar dynamics of our time. We in America feel that our effort for development and progress is allowing us to move from the possibility to the reality of plans. This is an important new phenomenon.

[Question] Argentina has brought about rapprochement between the two super-powers in a coinciding or alternative manner. This has evoked criticism from the opposing side. Could the foreign minister explain the purpose of each rapprochement, and where he thinks the balanced position lies?

[Answer] This question is directly related to the previous one. Independence implies the defense of the national interests over and above the opposition, tension or crises of the leading countries or superpowers.

The system that has been mentioned, involving severe bipolarity and the making of satellites has been replaced by a more deepseated reality, which is that of genuine alliances, with the resultant independence of the nations.

By tradition and sovereign desire, Argentina is an ally, but not a satellite. This conduct marked by a healthy independence (which has also brought good results in the defense of the nation's many interests) is innate in our tradition as a free nation.

[Question] What are the problems still unsolved with the United States, and which are the issues on which progress and enlightenment have been achieved?

[Answer] A new era has begun with the United States. I think that we are laying the foundations for a constructive, lasting dialog, after a long eclipse of misunderstanding.

I daresay we have resumed a style of candid dialog, based on mutual respect, which has not existed since the era of the 1930's.

We are achieving the relationship that we deserve to have. The United States is a natural ally, and the superpower of the West. I believe that there is a new understanding, and that the friction which occurred as a result of minor or incidental problems is giving way to a deeper understanding.

[Question] What are the problems still unsolved with the Soviet Union, and which are the issues on which progress and enlightenment have been achieved?

[Answer] We are maintaining a stable, productive diplomatic relationship with the Soviet Union.

It should be noted that the ties between Argentina and the USSR since the reestablishment of diplomatic relations in 1964 are continuing in the area of commerce and technological exchange, despite ideological differences.

To return to one of your questions, I would say that the relations with the USSR might be an example of the effort to combine what is "pragmatic" with the "principles" (ideological and those of political philosophy) that each country upholds.

There is a mutual respect in the relations which enables both sides to benefit from a flow of commercial and technological exchange.

[Question] It is true that the Argentine promise to ratify the treaty for de-nuclearization of Latin America was related to the offer by other powers of the "green light" for the plans for peaceful development of the Argentine nuclear industry? In any event, at what stage are the negotiations which have begun for ratification of Tlatelolco?

[Answer] The Argentine Republic had an active role in the negotiations which led to the formulation of the Treaty of Tlatelolco, and signed it in 1967. In 1978, the national government announced to the United Nations General Assembly that it was considering the procedures for its ratification. Both are sovereign acts of Argentina, consistent with the position opposing the development of nuclear weapons. As we know, a large group of countries exporting nuclear technology, equipment and materials (combined in the so-called London Club) has established a group of conditions for such transfers, which actually serve as minimal conditions, because several members of the group have added additional requirements. Argentina, whose major nuclear activities are under safeguards of the International Atomic Energy Agency, has met those minimal conditions and this has been recognized by the foreign governments which, this year, authorized the exporting to our country of equipment important to the implementation of our nuclear program. Moreover, upon gathering the necessary data for analyzing the ratification of the Treaty of Tlatelolco, it was deemed essential to open negotiations with the International Atomic Energy Agency in order to decide upon which safeguards should be applied in connection with that treaty.

#### Nuclear

[Question] What are the general features of the nuclear treaty which is being negotiated with Brazil and which (according to Brazilian press organs) would place the reprocessing of fuel in the hands of Argentina, leaving the uranium enrichment to Brazil. What effect would an agreement of that type have on the future course of nuclear development?

[Answer] It is the intention of the governments of Argentina and Brazil to conclude a "standard agreement" which will allow for the cooperation of both countries in the nuclear energy field. We hope that, in addition to that "standard agreement," the National Atomic Energy Commission will conclude "implementation agreements" with the Brazilian National Nuclear Energy Commission and with the NUCLEBRAS [Brazilian Nuclear Corporations] enterprise, which will stipulate the way in which that cooperation is to be carried out, thereby simplifying the subsequent negotiations for the implementation of concrete projects. All this is being done on the basis of the Argentine and Brazilian decisions to have each develop in its own country an autonomous and self-sufficient nuclear program. So long as the goal of self-sufficiency is met, which represents an extraordinary technological and industrial effort, it could prove feasible for both countries to cooperate by mutually supplying

the results in the areas wherein they are most advanced. The importance of these agreements in the international realm should not be forgotten. The two largest countries in South America are demonstrating their desire for peace by making exchanges in this critical field. I think that it would be difficult to find a more clearcut proof of pacifism and the desire to making peaceful use of atomic energy than that demonstrated by Brazil and Argentina.

[Question] What are the bases for the so-called horizontal technical cooperation mentioned by the Foreign Ministry on a certain occasion? Would that cooperation make it possible to raise the present level of the nation's development?

[Answer] The technological exchange among developing nations has enabled Argentina, a country on an advanced level in this field, to expand its international activity. All these exchanges have unquestionably served to spur on our creative potential, and open up new horizons for rapprochement to us, with the resultant opportunity to operate on a multiple and diversified front; something which will work on behalf of improved independence.

[Question] There has been frequent criticism of Argentina's continuance in the group of nonaligned nations; some claim because that group has become increasingly inclined toward being a superpower, giving up its original neutrality, and others claim because the group does not reflect the North-South contradiction which is essential for an understanding of the problems of our time. What is your opinion of this?

[Answer] We have explained on several occasions that Argentina's presence in the nonaligned group does not imply any ideological affiliation. The critics that you mention in your question have made a real effort to conceal the fact that the nonaligned group is an international forum of a heterogeneous color, comprised of over 100 nations. Hence, there are left, center and right persuasions active in it. It is a great assembly, in which Argentina is acting with complete awareness and with exact goals. In that "mass" of countries, we have found advantageous opportunities for agreement in our diplomatic negotiations, both in the bilateral area and for activity in the international agencies. (A concrete example is the support regarding the Falkland Island issue, for instance.)

The "mass" of nonaligned countries is what feeds the United Nations; it is the ideal international forum in which all issues have a place. Just as in the case of the United Nations, the fact that we belong to the nonaligned group cannot be construed as an indication that we have given up any of our traditional political positions.

While there are among the nonaligned some who are striving to lead the bloc to Marxist or pro-Communist positions, we are striving in the opposite direction, and we are making use of the advantages of acting in a large international forum.



[Question] The Foreign Ministry is currently working to consolidate the good relations between Argentina and Brazil, which became possible after the agreement on the Upper Parana dams. What would the details of the rapprochement be and, in any event, is the goal, as has been claimed, that of arriving at a policy of "open frontiers"?

[Answer] The mutual cooperation between Argentina and Brazil, planned in accordance with each country's national interest, does not adhere to an inflexible, predetermined scheme, but rather calls for the most extensive opportunities that our bilateral relations afford, in a general way. Moreover, that cooperation can also be reflected in an even more vast area, by exploring the many points of agreement in the positions of the two countries within the international system.

[Question] How does the Foreign Ministry assess the difference in industrial potential between Brazil and Argentina, and the possibility that this phenomenon may become emphasized with respect to the policies implemented by both nations? Does that difference in potential foster or impede rapprochement?

[Answer] Both countries have highly diversified economies. Both also show industrial development and a combined scientific and technical expertise sufficiently extensive to enable them to seek access, in the near future, to the status of countries with advanced industrialization, in a position to participate and compete on all the markets in the world.

2909

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NEWSPAPER INTERVIEWS FOREIGN MINISTER PASTOR

PY201806 Buenos Aires CLARIN in Spanish 17 May 80 pp 9, 25

[Undated exclusive interview with Argentine Foreign Minister Carlos Washington Pastor by CLARIN reporters in Buenos Aires]

[Text] [Question] What are the current short-, medium- and long-term objectives of Argentina's foreign policy?

[Answer] I do not believe that we should make the division according to deadlines as you suggest. The objectives of the foreign policy are permanent because they seek to comply with national interests, and the objectives we seek today are no different from the objectives we have traditionally sought to attain throughout our history. The basic guidelines of the military junta, the National Executive Branch and the Foreign Ministry outline the principles for the attainment of these objectives. Therefore, only the ways and means to attain these objectives are changed in keeping with the variations which the international situation constantly experiences.

[Question] How would you define the foreign policy; is it based on principles or is it pragmatic?

[Answer] As far as ideology is concerned, it is based on principles because our strategy is based on the unrelenting defense of Western values. It is also pragmatic because we acknowledge that the current international situation is mobile, dynamic and sometimes contradictory. These guidelines provide the basis for our policy in which practical reality is taken into account to fulfill the guiding principles.

[Question] What is Argentina's place in a world where international relations have become more and more complex and where new leading actors rise such as the transnational companies, the international associations of labor unions, political parties, etc.--which claim to want the well-being of the people and operate at the international level--as well as various kinds of regional organizations?

[Answer] A diplomacy is a reaction to the current status of the world. The world must be viewed as it is without pretending that the power factors



are the ones we want. You have mentioned power factors at the national and international levels. We must take them into account to prepare our diplomatic reaction. A true diplomacy must take into account all the power factors of our times to be able to effectively fulfill its objectives.

[Question] What is the Foreign Ministry's opinion of bipolarity and what are the prospects of growth for countries like Argentina within this ideological framework?

[Answer] We know--and the international status quo is proof of this--that we can no longer speak of a strict bipolarity except in such extreme cases as a world war. The bipolar framework involved lesser nations becoming satellites. There are other centers of power which must be taken into account. We could say that countries with advanced development like Argentina will attain the best maneuvering and negotiating capability by an intelligent utilization of the multipolar dynamics of our times. We in America feel that our efforts toward development and progress are helping us make our projects come true. This is an important development.

[Question] Argentina has conducted a simultaneous or alternating rapprochement toward the two superpowers. This has elicited criticisms from both sides. Can you explain the meaning of each rapprochement and where, in your opinion, the point of balance is?

[Answer] This question is directly related to the previous one. Independence implies defending the interests of the country regardless of the opposition, tensions or crises existing between the guiding countries or superpowers.

The above-mentioned framework of strict bipolarity and satellites has been overcome by a much broader reality of true alliances preserving the independence of the nations.

It is the traditional and sovereign will of our nation to be an ally and not a satellite. This position of healthy independence (which has yielded positive results in the defense of the various national interests) is in keeping with our tradition as a free nation.

[Question] What are the issues which Argentina has pending with the United States and what are the issues in which some progress and clarification have been achieved.

[Answer] A new stage has begun in our relations with the United States. I believe that we are laying the bases for a constructive and lasting dialogue after a period of misunderstandings.

I would dare to say that we have resumed the style of frank dialogue based on mutual respect such as has not been in effect since the thirties.

We are attaining the relationship which we deserve to have. The United States is a natural ally and the Western superpower. I believe that a new understanding has been achieved, and that the frictions which have taken place as a result of minor or temporary problems are being left behind in our progress toward a broader understanding.

[Question] What are the issues which Argentina has pending with the Soviet Union and what are the issues in which some progress and clarification have been achieved?

[Answer] We have a stable and productive diplomatic relationship with the Soviet Union.

It must be noted that the bonds between Argentina and the USSR, ever since the reestablishment of diplomatic relations in 1946, have retained their continuity at the level of commerce and technological exchange, despite the ideological differences.

Turning back to one of your previous questions, I would say that our relations with the USSR are an example of the effort which is being made to reconcile "pragmatism" with the "principles" (ideological and political) which each of the two nations supports.

There is a mutual respect in the relationship, which allows both parties to reap the benefits of commercial and technological exchange.

[Question] Is it true that Argentina's promise to ratify the treaty for the denuclearization of Latin America has given rise to offers from other powers to give a "green light" to Argentina's plans for the development of a peaceful nuclear industry? In any case, what is the current status of the procedure launched to ratify the Tlaltelolco treaty?

[Answer] Argentina actively participated in the negotiations to draw up the Tlaltelolco treaty and signed it in 1967. In 1978 the Argentine Government announced to the UN General Assembly that it was studying the appropriate steps to ratify the treaty. These have been sovereign actions undertaken by Argentina in line with its position, which is opposed to the development of nuclear weapons. As is well known, an important group of countries which export nuclear technology, equipment and materials--grouped in the so-called London Club--has set a number of conditions for the transfer of this technology. These conditions are just the minimum requirements, because the fact is that several members of this group have added other requirements. Argentina is conducting its relevant nuclear activities under the safeguards of the IAEA, thus satisfying these minimal requirements. This has been acknowledged by the foreign governments which in the course of this year have authorized exports of equipment important for the fulfillment of Argentina's nuclear program. At the same time, once we had all the elements necessary to begin studying the ratification of the Tlaltelolco treaty, it was considered appropriate to begin negotiations with the IAEA

in order to agree upon the safeguards which will be applied in connection with the Tlaltelolco treaty.

[Question] What are the basic guidelines of the nuclear accord which is being negotiated with Brazil and which--according to Brazilian news media--will leave the reprocessing of fuel in Argentine hands and the enrichment of uranium in Brazilian hands? What will be the effect of this kind of accord on the future of nuclear development?

[Answer] The Governments of Argentina and Brazil plan to reach an "overall agreement" [acuerdo marco] which will allow the two countries to cooperate in the field of nuclear energy. We hope that in addition to this "overall agreement" the National Atomic Energy Commission will reach "implementation accords" [acuerdos de aplicacion] with the Brazilian National Nuclear Energy Commission and the Brazilian nuclear corporations [NUCLEBRAS], which will establish the manner in which this cooperation will be conducted, thus simplifying any further steps for the implementation of specific projects. All this is being done on the basis of Argentine and Brazilian decisions to develop an autonomous and self-reliant nuclear program on their own and in their own countries. While we seek to fulfill our decision to attain self-supply, which involves an extraordinary technical and industrial effort, it could be advisable for the two countries to cooperate by supplying each other with the results of the types of research in which they are most advanced. We must not forget the international value of these accords. The two largest countries of Latin America are proving their peaceful will to cooperate in such a sensitive matter. I believe that it would be difficult to find a better example of pacifism and the desire to use nuclear energy for peaceful purposes than that shown by Brazil and Argentina.

[Question] What are the guidelines of the so-called horizontal technical cooperation which the Foreign Ministry mentioned at one time? Will this cooperation allow the improvement of the country's current level of development?

[Answer] The technological exchange among developing nations allows Argentina--which is very advanced in this field--to broaden its international action. Undoubtedly, all of these exchanges help to spur our creative potential and open for us new prospects for rapprochements with the ensuing opportunity for operating on a multiple and diversified front, which will in turn lead to a greater independence.

[Question] Argentina's participation in the group of nonaligned countries has frequently been criticized because according to some people this group is leaning more and more toward one of the superpowers, abandoning its initially neutral position while according to others the group does not reflect the differences between the north and the south which are essential for the proper understanding of the problems of our times. What is your opinion about this?

[Answer] We have repeatedly said that Argentina's participation in the nonaligned group does not imply any kind of ideological affiliation. The critics you mention in your question are trying to hide the fact that the nonaligned group is a politically heterogeneous international forum made up of more than 100 nations. Its members have leftwing, center and rightwing tendencies. It is a great assembly within which Argentina operates with full awareness and with clear-cut objectives in mind. Within this "mass" of countries we find useful points of agreement for our diplomatic actions both at the bilateral level and at the level of international organizations. (One specific example is the support received on the Malvinas issue.)

The "mass" of nonaligned countries provides the support for the United Nations, which is the greatest international forum open to any issue. As with our membership in the United Nations, the fact that we belong to the nonaligned group does not mean that we are giving up some of our traditional political positions.

If among the nonaligned there are some who struggle to lead the bloc toward Marxist or pro-communist positions, we struggle for the opposite and take advantage of being able to operate within a broad international forum.

[Question] The Foreign Ministry is now working on the consolidation of the good relations between Argentina and Brazil which became possible after the agreement on the dams in the upper Parana River. What would be the lines of rapprochement, and is it the goal to arrive at an "open border" policy, as has been asserted?

[Answer] The reciprocal cooperation between Argentina and Brazil, planned in accordance with each country's national interest, is not bound by a rigid and predetermined pattern; it rather takes into account comprehensively the broad possibilities offered by our bilateral relationship. On the other hand, that cooperation may find expressions in a still wider field by exploring the numerous concurrent positions of the two countries in the international system.

[Question] How does the Foreign Ministry assess the difference in industrial potential between Brazil and Argentina and the possibility that the difference may become wider because of policies applied by the two states? Does this difference in potential favor rapprochement or make it more difficult?

[Answer] Both countries have highly diversified economies. They also have levels of industrial development and scientific and technological knowledge which, if taken together, are sufficient to permit them to intend, in a short time, to enter the group of highly industrialized countries capable of participating and competing in all the markets of the world.

It is not possible and it would not be appropriate to make a comparison of the industrial potential of each nation. Argentina and Brazil are aware



that there are sectors in which a greater relative development of one country or the other can be observed. This does not at all harm, but rather stimulates, the possibilities for orderly mutual cooperation that satisfies the legitimate national interests of each country, and even benefits third countries which take advantage of that cooperation.

[Question] The Foreign Ministry has approached the Andean Pact, a regional association of five Latin American countries which are very far from reaching their goals of economic integration but, on the other hand, express the same views regarding the redemocratization of the hemisphere. How important do you find that relationship, Mr Minister, and how is it brought into harmony with the full context of the foreign policy?

[Answer] Argentina attributes particular importance to its relations with that subregional group, as was clearly confirmed during my recent trip to Quito through the signing of important documents which stipulate mechanisms of permanent reciprocal consultation and coordination between this country and the Andean Pact.

This position is consistent with the interests and objectives pursued by Argentine foreign policy, particularly since one of the central points of that policy is Latin American integration. In this connection we believe that all the various mechanisms which are being implemented on a subregional level--whether in the River Plate basin group, in the Andean Pact, or in the broader LAFTA framework--contribute to the final objective being pursued, that is giving the continent a new voice on the international stage. And it cannot be denied that the member countries of the Cartagena agreement are making an interesting experiment in that field.

The fact that Argentine territory borders the Andean mountains on one side is sufficient reason for a reciprocal rapprochement of unquestionable future interest.

[Question] Spain has often participated in Andean Pact meetings and declarations. How does the Foreign Ministry view the renewed Spanish interest in Latin America?

[Answer] We observe with interest this growing Spanish cooperation in Latin American affairs. It is a valuable recognition of the new role which the continent is called to play in the development of world events.

[Question] At what stage is the question of human rights, and with what nations are there still difficulties in this area?

[Answer] We have always felt confidence that our reality will become known as time goes by. Our enemies operating abroad are now growing weary. It is understood in many parts of the world what the scourge of terrorism means. This awareness helps them to understand the Argentine case. There is a transition from a stage of confusion, misunderstanding and bad faith

to one of a more just understanding of the drama we had to experience. A positive change is noticed in some European countries. The government of the national reorganization process is fulfilling the objective of establishing a stable democracy which means a system in which human rights have full validity as the rights of all inhabitants of the country, guaranteed by the 1853 constitution. This reality is being understood, although belatedly, in the international field, particularly by countries with a long democratic tradition in which the anti-Argentine campaign had attained some of its objectives.

[Question] What is the Argentine policy toward the Middle East, particularly in relation to the Arabs and their various alignments?

[Answer] The answers to previous questions clearly show that Argentine foreign policy is based on Western philosophical and political principles. At the same time, Argentina maintains relations with states without being limited by ideological barriers. Therefore, in concrete response to your question, I must tell you that Argentine foreign policy in this area falls within the principles I am outlining, particularly respecting the principle of noninterference with regard to the problems confronting this region of conflict. I would like to make clear, however, that this is not a policy of indifference but a policy based on respect and the great desire that a just and honorable solution satisfying the interests of the countries concerned be found.

[Question] What is, in detail, the Argentine position with regard to Iran?

[Answer] Our country's position in relation to the problem of U.S. hostages in Tehran was stated in a press communique released by this ministry on 11 April. At the same time, a decision was made to recall our ambassador in Iran for consultations, and it was then decided that it was not necessary to close our embassy, which is now in the hands of a charge d'affaires. The Argentine position is inspired by profound concern for the physical integrity and security of the hostages. This position, as is well known by the public, has wide international support, because many countries adopted the same position later by making similar decisions. It should be pointed out in conclusion that since the communique was released, there has been no reason to change the Argentine position, but Argentina continues to watch the development of events.

[Question] Ambassadors have been exchanged with the United Kingdom. Can it be deduced that negotiations with that country are progressing? According to the latest "leaks," Great Britain is reluctant to discuss the matter of "sovereignty." Has this situation changed in a favorable direction?

[Answer] The exchange of ambassadors between the two countries already indicates the existence of a constructive will regarding bilateral relations. Our ambassador's activities in London have begun with great vigor, and the exchange of visits by Argentine and British officials has created a favorable



environment in specific areas contributing to the gradual improvement of relations with the UK.

On the negotiations, it should be pointed out that the Argentine position is invariable regarding the meaning and scope which Argentina gives to the world sovereignty, a meaning which is above any other consideration in this matter.

[Question] Relations with Bolivia--a country in a difficult process of redemocratization where rumors of a "coup" spread--periodically is essential for Argentina. How would the foreign minister define the current state of these relations?

[Answer] Our relations with Bolivia can only be described as outstanding. We have always maintained close cooperation in all fields, and this has even been stimulated in the last few years. This is reflected, among other means, by the construction of important projects of physical integration such as the Yacuiba-Santa Cruz de la Sierra-Trinidad railroad, the highway from Padcaya to Bermejo, the important projects for the joint exploitation of the Bermejo River high basin and the studies being carried out by the two countries, along with Paraguay, for the joint utilization of the Pilcomayo River. Also, in accordance with the permanent Argentine interest in helping Bolivia in its need for a sea outlet, the recent granting of a free zone in Rosario port to Bolivia should be noted.

CSO: 3010

PAPER EXAMINES LAXITY OF MONETARY POLICY

PY030120 Rio de Janeiro JORNAL DO BRAZIL in Portuguese 1 Jun 80 p 10

[Editorial: "The Moment of Truth"]

[Text] In the lecture he delivered at the Superior War College, Planning Minister Antonio Delfim Neto stated that "there is still laxity in the monetary policy." On the same day the finance minister, who is directly involved with that policy, admitted that the monetary policy lacks rigidity. Consequently, the government will endeavor to meet the goal previously announced for this year--that is, an expansion of the means of payment by no more than 50 percent. This means that there will be strong tightening of credit.

The recognition that there is laxity in the monetary policy, however, calls for some good explanation. First it must be noted that laxity exists despite the fact that the government has so far lost \$3 billion of its foreign reserves. This is why it has reduced by the same proportion the amount of cruzeiros in circulation. That simple fact--the loss of foreign reserves--would serve in normal conditions to shrink the means of payment.

And why does that shrinkage not take place as the ministers of the economic area would like?

No matter how many explanations can be found--and the public expenses through the uncontrollable state enterprises is always one among many others--the two fundamental causes for the laxity of the monetary policy are the following: first, the all too obvious subsidy of the prices of oil by-products. At this time, the oil products are reaching the consumers at final prices which are unrealistic. In the bookkeeping of oil byproduct costs, there is an underevaluation of the cost of dollars in cruzeiros spent in purchasing oil, as well as an underevaluation of the cost of dollars in cruzeiros spent in purchasing oil, as well as an underevaluation of the price per barrel of oil imported. This is what generates the subsidy on the price to consumers--that is, the growing indebtedness of the national petroleum council (and consequently Petrobras) with the Central Bank.

There is no alternative. Either the government ceases to subsidize the prices of oil byproducts or the Central Bank will be forced to start printing money to be able to cover the difference, thus expanding the means of payment. Once again the government is facing the classical dilemma: gradual or shock treatment? Either it imposes a hefty price increase on oil byproducts in one stroke, thus dramatically driving upwards the rate of inflation, or it increases those prices slowly, trying to gradually absorb the impact of the price increase along an arching inflation curve. But either way, the government will have to reestablish the truth about the domestic price of oil byproducts.

The other powerful cause of the expansion of the means of payment--and the worst is yet to come in 1980--is the credit for agriculture. The government decided that agriculture is priority number one, and so it determined that credits for the rural sector--for financing production, for investments or for paying government-set minimum prices--should have no ceiling in the monetary budget. That is to say, the sky is the limit for these credits.

There we have another impasse of an exclusively political nature transcending the purely technical administration of the instruments of monetary control. Will agriculture continue to have unrestricted credit with a built-in subsidy rate or will the laxity of the monetary policy--including the credit for agriculture--continue undermining the anti-inflationary effort in an intolerable manner?

Without a precisely defined policy for oil prices and for agricultural financing, the expansion of the means of payment will continue to be lax for some time yet.

CSO: 3001

POLICY CHANGES BEGIN TO BRIGHTEN FUTURE FOR SUGAR INDUSTRY

Lack of Pickers

Santo Domingo LISTIN DIARIO in Spanish 18 Apr 80 p 2

[Article by Jose Romero: "It Has Been Confirmed That There Will Be a Sugar Production Deficit in the Dominican Republic"]

[Excerpts] Representatives of the sugar industry yesterday confirmed that this year's crop will show considerable deficits, not only in the state sector but also in privately owned mills due to combinations of various problems, mainly the lack of pickers and the poor condition of the cane, which has been damaged by rust.

In separate statements, mill operator Nicolas Casanovas, the president of the Dominican Federation of Sugar-Cane Producers (FEDOCA), and Elizardo Dickson, a high official of Casa Vicini, reported on problems arising in the field.

Casanovas confirmed that sugar planters who are members of that organization are suffering deficits and having considerable problems with this year's crop, to such an extent that some desperate members on the State Sugar Board (CRA) are turning their cane over to Casa Vicini for quicker processing.

However, he noted that this action, which according to agreements entered into is illegal, has only been adopted by three or four planters and does not represent the intent of most of the members.

Casanovas said that this situation is greatly discouraging planters, who have already been economically hurt for 5 years now by the freeze on the domestic sales price of sugar.

He reported that last year planters suffered a delay in the usual financing afforded them by the company, which is why the cane was not effectively grown, and this year we are witnessing the consequences, which are a poor harvest.

He said that, in comparison with last year, the CEA planters' crop will end up with a deficit of 500,000 metric tons of cane, the equivalent of 50,000 net tons of sugar.

Casasnovas estimates that the CEA will produce 700,000 net tons of sugar, thus leaving it with a deficit of some 200,000 tons in comparison with its estimated 900,000 tons.

#### Limitless Sugar Production

Santo Domingo LISTIN DIARIO in Spanish 17 Apr 80 p 1

[Article by Jose Romero: "Dominican Republic Has Free Sale of Sugar"]

[Excerpt] The director of the Sugar Institute yesterday announced that this year the country would be allowed to export as much sugar as it could on the world market, with no limit, since International Council quotas have been suspended.

Consequently, Mr Federico Echenique Manita pointed out that this year's sugar exports would basically depend on production volume.

He emphasized that the country could take advantage of the world price situation to the extent its production volume permits it to.

He felt that the country was fairly treated in the recent allotment of basic export tonnages approved by the International Sugar Convention in London.

Echenique said that, with the 100,000 tons granted, the total quota comes to 1,200,000 tons, but, since quotas have been suspended, the total amount to be exported could be larger.

He said that, with this allotment, the country has received recognition of its tradition as a big exporter and of the importance the hard currency generated by its sugar exports represents.

#### Rehiring of Dismissed Strikers

Santo Domingo EL CARIBE in Spanish 19 Apr 80 p 1-C

[Article by Candida Figueroa: "CEA To Rehire Millworkers"]

[Excerpts] The secretary of labor announced yesterday that about 80 state sugar mill workers who had been dismissed would be returned to their jobs this month.

Dr Cesar Estrella Sadhala was interviewed at the graduation ceremony for over 500 technicians from the Dominican Social Security Institute's School for the Intensive Training of Workers.



He said that negotiations are in progress with President Antonio Guzman to get him to authorize the rehiring of the caneworkers and that there is a chance that the rehiring may go into effect this month.

He maintained that all the workers would be rehired, including the union leaders.

When he was asked at what point official negotiations were entered into to restore the workers to their jobs, he said that from the very moment the workers were dismissed they began negotiating on the matter. He described the fact that all of the workers had not yet been returned to their jobs as "lamentable."

Dr Estrella Sadhala said that, when the president gave the order to reinstate them, about a little over 800 of the 800 or 900 workers were recently put back on the job and that some 80 have not yet been reinstated.

He indicated, however, that he has continued to negotiate with the chief of state to get him to "authorize the remaining workers to be reinstated."

He explained that many of those who were dismissed are leaders and are distributed throughout the sugar mills of the states of Santa Fe, Esperanza and Porvenir in the eastern part of the country.

The workers were dismissed last January when a strike was held to obtain a series of demands that had previously been petitioned.

Dr Estrella Sadhala said that the first meeting between the CEA, the secretary of labor and the labor sectors was held yesterday.

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DOMINICAN REPUBLIC

GOVERNMENT TO INTERVENE IN CONTROL OF BEEF PRICES

Santo Domingo EL CARIBE in Spanish 19 Apr 80 p 1-C

[Article by Flor Gil]

[Text] President Antonio Guzman yesterday ordered the General Price Control Administration to set maximum beef prices for domestic consumption at all stages of marketing.

The order is contained in Decree 1705, issued by the chief of state, in which the exporting of beef from 1 September to 31 December and from 1 January until the end of Lent each year is also authorized.

The presidential order revokes Decree 713 of 2 March 1979, which set maximum prices for the marketing of beef cattle.

Decree 1705 further provides that the Secretariat of Agriculture is to inform the Price Control Administration on current cattle supply and prices, on the basis of a quarterly report by the Departments of Cattle Raising and Agriculture and Livestock Economy, in order to set prices for beef cattle on the hoof from the ranchers to the slaughterhouses, packing plants, supermarkets and butchers, and from them to the consumer.

One of the provisions of the order states that the price-setting mechanisms for the sale of beef must conform to technical standards established by those agencies responsible for both the production and marketing sectors, prior production-cost studies and nationwide cattle inventories.

At the present time, the pound of beef is passed on to the consumer at prices fluctuating between 1.30 and 1.40 pesos, despite the fact that Decree 713 set the maximum price at 98 centavos.

President Guzman's order states that within 30 days of the date of Decree 1705, the Price Control Administration must review prices currently set for the sale of beef in order to adopt a resolution that basically agrees with the Secretariat of Agriculture reports.

It states that the Dominican Export Promotion Center (CEDOPEX) will be the agency responsible for everything having to do with the marketing of beef abroad, taking into account the volumes recommended by the Secretariat of Agriculture during the period allowed as well as any international agreements that may be conditionally contracted.

Another provision states that promotion policies that encourage beef production must be applied to assure the population a supply of food at prices that can be paid and are also compatible with the structuring of production costs.

At the same time, it states that the security of an international beef market is one of the most appropriate incentives for improving the nation's cattle-raising industry.

It states that the Secretariat of Agriculture, through the Bureau of Cattle Raising and the Department of Agriculture and Livestock Economy, must evaluate the economic and social aspects of the production, distribution and consumption of farm and livestock products and the possibilities of exporting them and substituting them for imports of same.

It adds that it shall also formulate policy in these matters, proposing those regulations and measures it deems necessary.

Application of the decree will be the responsibility of the General Price Control Administration, the Secretariat of State of Agriculture and CEDOPEX.

Early this month, the District Butchers Association reported that beef suppliers have raised the price of beef by 4 pesos a quintal during the past 3 months.

At that time, the president of the organization, Mr Rafael Minaya, appealed to the government to intervene in the marketing of beef cattle in order to correct the situation consumers and butchers are caught up in, which he described as "alarming."

Minaya said that the series of price hikes beef has been subjected to during the past few months has raised the price of the product to 100 pesos a quintal at some slaughterhouses and in others it has been retailed at 98 pesos, which has led to losses in the retail food marketing sector.

He said that beef cattle suppliers attributed the rises in price to the rise imposed on cattle on the hoof and also claim that they are sustaining losses in the marketing of meat.

The butchers set a 15-day deadline as of 9 April for the government to intervene in the sale of meat so that fair prices for all sectors involved in the red meat market can be established.

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## BRIEFS

**CONSPIRACY AGAINST UDEH**—The Democratic Union of Haitian Emigrants (UDEH) has announced that it has received reports that the Haitian ambassador in this country is working out a plan to openly accuse the communist organization. The UDEH statement is contained in a letter it sent to the Haitian Government's representative in this country, Dr Fritz Cineas, a copy of which was sent to this newspaper. According to what the UDEH says, Dr Cineas plans to invite Dominican reporters to dinner and exploit the occasion to voice his accusation. According to UDEH itself, it has received this information from contacts it has with democratic organizations and individuals in the country. The UDEH also reiterated that, with the backing of the Dominican Government, there are secret agents of Duvalier in this country, here to form an underground band for the purpose of combating Haitian exiles. It said that the secret agents of the Haitian dictatorship are sowing unrest and insecurity. [Text] [Santo Domingo EL NACIONAL in Spanish 18 Apr 80 p 4] 11466

CEO: 3010

'EL IMPARCIAL' VIEWS U.S. ROLE IN AREA

PA140205 Guatemala City EL IMPARCIAL in Spanish 7 May 80

[Article: "And the Eye of North America"]

[Excerpts] It is felt that the United States, no doubt because as a great power it must attend to international problems that are its responsibility, has often neglected continental interests, which are its own interests. It does not want to impose its designs or to intervene in other states, given the present circumstances.

There is a generalized criterion that a change in this policy--perhaps propitious now with the resignation of Cyrus Vance--is urgent. But they must make a complete and careful revision, not to regret possible errors later or faults of the past, or to recriminate indiscriminately. They must fix efficient paths based on solidarity and designed by cooperation.

This veering toward a more shrewd and fair policy, it is believed, is tested in Central America because of the present situation in this area, after the course taken by the Nicaraguan revolution and the worsening of violence and disorder in El Salvador. "The concern in Guatemala," said Mr Thomas Mooney, president of the U.S. Chamber of Commerce in Guatemala, "is that the events in Nicaragua and El Salvador, created by Marxists, play an important role in the political situation of this country."

Cuba and other Caribbean islands already are strategic advance posts against the security of our hemisphere and the Castro regime has instigated, armed and maintained the guerrillas that stand in the way of our countries' development because the communists cultivate poverty and misery as weapons to stir up the masses. For this reason, they try to frustrate all social and economic advancement.

This has been proven in El Salvador, when they protest because the flag was taken from the ambitious for power. Castro's beard has become old and the Cubans are fleeing from their infernal paradise, so he will thank the Soviets for seizing control of Central America. But Guatemala is a bone that is difficult to chew.

## GUATEMALA

### CIVIC GROUP CONDEMNS CARTER POLICY IN CENTRAL AMERICA

PA140138 Guatemala City PRENSA LIBRE in Spanish 8 May 80 p 31

[Paid advertisement of Guatemala civic foundation: "The Carter Plan"]

[Text] The strategy being used by the group of "moderate Marxists" in the U.S. State Department to overthrow our governments in Latin America with the object of "changing the structures" is clear and well-defined. And do they change the structures!

In Nicaragua the government junta is under the absolute control of the Marxists. The economy is in ruins and freedom of expression does not exist (let the newspaper LA PRENSA, which used to criticize Somoza and has now been closed, confirm this). A delegation headed by government junta member Moises Hassan has just visited Moscow, where Nicaragua was aligned with the Soviet Union's foreign policy and the USSR promised economic and technical aid. The chief of the Nicaraguan Armed Forces has criticized the U.S. Government for military exercises in the Caribbean.

The gentlemen of the Warren Christopher group in the State Department can well say now: "Mission accomplished!"

The strategy that was used with such success and which continues to be used is the following:

1. Choose a Central American or Caribbean country that is not an oil supplier, that does not have a canal connecting two oceans and that is not big and powerful enough to resist the pressures of the State Department.
2. Carry out a destructive campaign by means of the Voice of America and other news media so the victim will quickly be weakened. Although the communists in the country might number only 1,000, spread lies that there is general discontent and that the sooner the change the less the suffering.
3. Cut bank credits to such a degree that there will be an economic crisis.
4. Prohibit the sale of all kinds of weapons, even rifles and ammunition to the victim. Include a ban on the sale of airplane and helicopter parts,



even if these machines are used to transport products to remote areas of the country.

5. Choose a group of people or a political party in which the socialists have a predominant role and which also includes communists to form a "government junta." Advise and finance it.

6. Intensify a campaign to discredit the government, army, private enterprise, the extreme leftwing and the extreme rightwing.

7. Promote conflict by sowing discord among the government, army, private enterprise and workers so there will be disagreements and divisions within the groups and between the groups. Tell private enterprise it will lose its assets because of the government. Tell the army that they should not lose their lives to defend the current economic system despite its evident achievements. Do this by inviting members of each group to the U.S. Embassy for brainwashing in private talks.

8. When the turkey is ready for the oven, use a neighboring country as a base for organizing and facilitating the transfer of communist mercenaries, war materiel, medicine and so forth.

9. Woe to the ruler who does not leave power when told to do so, because he will be threatened with being turned over to the enemy, even if he has been elected by the people.

Whoever does not believe this should look at the examples of Nicaragua and El Salvador!

What can we Guatemalans do so that this group of irresponsible and uncontrolled people will not turn us over to communism?

We should remain united and we should not yield to the pressures or intrigues of the democratic administration in the United States which, far from leading us on the path of freedom and real human rights, is destroying the West.

We admire and respect the great U.S. nation, which has given us many very good examples in the past. But we Guatemalans should raise our voices and join the overwhelming majority of U.S. citizens, who also disagree with the Carter plan.

Instead of promoting the surrender of free countries to slavery and endangering their own freedom, our friends in the north should unite all Americans from Canada to Cape Horn to win the battle that could mean the salvation or the end of the West.

CSO: 3010



## GUATEMALA

### LEFTISTS USING NEW STRATEGY IN REGION

PA141425 Guatemala City DIARIO DE CENTRO AMERICA in Spanish 5 May 80 p 4

[Editorial: "At the Door of the 'Real War' Which According to Ultraleftists Will Be Fought in Guatemala"]

[Text] A new strategy to be applied in the Latin America area which was put forward by the continent's ultraleftist organizations has been disclosed and publicly denounced by the high command of the Salvadoran Armed Forces. This strategy must be the cause of concern to Guatemala's government and private sectors. This should result in their careful analysis of the situation.

According to the Salvadoran Army's official statement, the main point of this new strategy consists of the temporary suspension of terrorist actions throughout the Latin American countries, so as to focus the world's attention on the Salvadoran events.

El Salvador's high command states that Cuba's help in resolving the problem of the Dominican Embassy in Bogota and the sudden flexibility of Fidel Castro's regime by allowing the exodus of thousands of Cubans, are two aspects of the practical implementation of this new strategy.

This ultraleftist plan includes terrorist actions particularly on 7 and 10 May when Soldier's Day and Mother's Day are commemorated, respectively.

The Salvadoran Army states that according to the plan individuals wearing olive drab uniforms will attack specific persons as well as the masses in order to create confusion and to place the blame on the army.

This is what the armed forces have claimed regarding the ultraleftist plan to intensify a strategy of war and violence in which the people and their property will not be respected, weapons will be used in public demonstrations and acts of terrorism will be carried out.

The news is even more alarming in Guatemala as greater credibility is granted to the speech given by former Costa Rican President Daniel Oduber during the recently concluded meeting of the Socialist International [IS].

Mr Oduber said that the actions in El Salvador are simply a skirmish prior to the "real war" which is about to be fought in Guatemala.

According to Mr Oduber's statements, the real center which the ultraleftists want to dominate in Central America is Guatemala.

Therefore, the announcement of a rise in terrorist activities promoted by the ultraleftists in El Salvador means that the so-called skirmish is entering a new offensive stage and that according to the intention and new strategy of these sectors the time for beginning the announced "real struggle" to be fought in Guatemala is drawing near.

Our country is also concerned over the announced intensification of terrorist actions in El Salvador since this will mean greater sorrow and grief for the Salvadoran brotherly people.

We must recall that the situations to which we refer are not simply words and concepts, but rather distressingly true facts.

As evidence of the statements previously made we can cite the CIA report, partially published by the news agencies last 29 April where it states that "terrorist groups may have improved their operational conditions by recruiting new members or simply by awaiting the opportunity to return the blow."

According to the CIA's analysis of terrorist activities in El Salvador in 1979: "The various Salvadoran leftist squads carried out the most spectacular operations of international terrorism in Latin America by occupying several embassies and businesses and kidnapping diplomats and businessmen. These organizations trust that they will be as successful as the Nicaraguan Sandinists in overthrowing the government."

As can be seen, we are talking about true facts, genuine fire and real blood, and about something essential to the peoples. This is the stepping up of a war--which uses mainly subversive individuals and which is being fought in Central America--against democracy and, in particular, against liberty which is an essential value of democracy.

CSO: 3010

## GUATEMALA

### SPOKESMAN RAPS EXTERNAL GROUPS EXAMINING NATION

PA201814 Guatemala City Domestic Service in Spanish 1230 GMT 20 May 80

[Text] Asked about an alleged international meeting to examine Guatemalan political affairs, Carlos Toledo Vielman, presidential public relations secretary, said: The Government of the Republic has unofficially learned that the international political organizations and politicians who are influenced and who are totally unattached from their Guatemalan nationality intend to examine and judge the country's situation as if it was a matter subject to the discussion of any unqualified person.

It comes as a surprise that an activity such as this is being organized in a brother country because the mere attempt at trying to usufruct the rights of Guatemalans to forge their own destiny is a violation of the legal principle of nonintervention in the domestic affairs of a state by [word indistinct] entities or [words indistinct] with certain governments.

We must reiterate that Guatemala bases its international relations on the full respect for other systems of government [words indistinct]. Similarly, it demands that no person, organization or state interfere in the country's domestic affairs which are the exclusive business of the Guatemalans.

He also said Guatemala has chosen the democratic way to solve its problems and that its system of representation permits the voices of those who represent ideological trends which are divergent and even antagonistic to be heard at the legislative branch. Consequently, the various political trends have the [word indistinct] right to express their support for or opposition to government measures. Meanwhile, the other political parties which do not have spokesmen in congress are empowered to voice their opinion on matters that pertain to Guatemalans. The executive branch is the clear expression of the people [word indistinct] through free elections just as the legislature comprises and expresses the will of the people and their various ideologies [word indistinct]. This is evidence of the maturity of the Guatemalans without having to resort to foreign experiences or request the aid of international organizations of dubious moral authority

For this reason, he said, we once more reject any political attempt aimed at examining the fate and actions of a sovereign nation with ill will and by following political goals.

Guatemala has obtained its profound democratic stand and its republican vocation through dialogue and negotiations among Guatemalans. We will not allow at any time or under any circumstances foreign politicians and conspirators to interfere from fraternal countries in the affairs of the Guatemalan people who are sufficiently aware of their responsibility to face with courage and calm the insolent challenges of those who are vainly trying to steal the rights that only the Guatemalans have to decide their future.

CSO: 3010

PAPER CRITICIZES 'MEDDLESOME' WILLIAM BOWDLER

PA290339 Guatemala City PRENSA LIBRE in Spanish 23 May 80 p 2

["National Current Events" column]

[Text] The latest statements by U.S. Secretary of State William Bowdler [as published] have further irritated the Central American people. Again this official has referred to the political problems of our region as if he were a proconsul. The same attitude was displayed when he referred to the relations between the Central American countries and his own government--relations seen from the viewpoint of a diplomat who has been turned by President Carter into some sort of visitor who sometimes acts as an attorney general and judge in matters that are the exclusive concerns of other states.

There are reasons for feeling irritated over Bowdler's statements when he appeared before the House of Representatives Inter-American Affairs Subcommittee. There is justification for the governments of the area, particularly ours, to pay attention to the situation. So far, only the news media provides us with the information. The foreign ministries have to wait until they receive an official report from the embassies, as the Guatemalan vice foreign minister has stated.

According to news agencies, the U.S. official repeated his capricious point of view. His statements give no indication of any important change in the political situation of Central America but they do indicate that the true situation--the naked truth, as we say around here--does not let this visitor sleep well. This illustrates that our nations have reasons to protest and to reject interventions. This also justifies and explains the criticism to which the White House is being subjected by U.S. democratic sectors.

There is nothing new in Bowdler's opinion that as a last resort the Nicaraguan leaders could choose an authoritarian system and align it with Cuba and the Soviet Union. Moreover, it is no news that Cuba could take advantage of the unrest in Central America for its own benefit and that of the Soviet Union.

Today, when events in Nicaragua could have taken an irreversible path, the unnerving slowness with which U.S. statesmen develop concepts regarding our problems is evident.



In terms of Nicaragua, Bowdler sees the choosing of an authoritarian system in that country as a "last resort" to face shortages and underdevelopment, circumstances (the only ones he hinted at) that would push Nicaragua to the Cuban-Soviet orbit. This is another obsolete concept. Sandinism has not waited for specific circumstances. It was born tied to Soviet socialism and it is only a matter of strategy that it pretends to be compatible with an open and pluralist society.

Speaking about Guatemala, the former ambassador has stated that "we are happy" with the state of our relations. Of course, it has to be that way because he has not found submission here. The meddlesome visitor can also be sure that the people of Guatemala are not happy with their relations with this country to which they have always given a sincere friendship--friendship which has not been loyally reciprocated. But this is no surprise either. There have been many cases of disloyalty.

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## GUATEMALA

### 'EL INDEPENDIENTE' NEWSCAST CONDEMNS VIOLENCE

PA201752 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 19 May 80

[EL INDEPENDIENTE newscast editorial: "Against Violence, Terrorism and Subversion"]

[Text] We have all heard of the organization of a so-called Guatemalan Patriotic Liberation Front. This front would compel Guatemalans to make a clear, specific and final choice. This editorial is in reply to this attempt to define our personal and journalistic attitude.

The newscast EL INDEPENDIENTE has always been, from its first program, against any form of violence. Our attitude, apart from any sectarianism, has allowed us to condemn abuses, the [word indistinct] and crimes against any Guatemalans, regardless of their ideological attitude, occupation, sex or economic condition.

In this manner we have condemned abuses, offenses or crimes against political leaders of all parties, be they from the National Liberation Movement [MLN], Christian Democrats, Democratic Institutional Party [PID], the Revolutionary Party or any other recently founded organization.

We likewise protest when a Guatemalan is victimized, be he a worker, student, policeman, professional, soldier, priest, peasant, diplomat, government official, businessman or other.

We definitely disagree with the violence promoted by both the right and the left and we oppose it with all our faith. We are sure that peaceful coexistence, dialogue and peace are the only ways of life which should prevail in Guatemala in order to reaffirm the democratic representative system.

EL INDEPENDIENTE is against terrorism. Precisely 2 months ago, I signed one of my most recent commentaries against terrorism affecting Guatemala City's commerce and said it is a vile, inhuman, indecent and undesirable means of political struggle. We are completely in disagreement with it and it should not be used in Guatemala.

EL INDEPENDIENTE is against subversion, be it from the right or left. As newsmen we know that our task is to guide Guatemalans toward the need to respect the legally constituted order, respect the laws and the authorities. We know our task is regulated by specific laws and we well know that any violent change in the country will only be to the detriment of our newsmen's profession. We are aware that the country is living in an extremely difficult period. We know that newsmen have a determining role to play. This role is limited to guiding the people and the government towards a return to laws and justice within an established juridical order. Firmly and independently this order must also come out against subversion, regardless of where it comes from.

What we publicly say now, must be considered as a statement given from a well-defined position. Signed Jose Mario Castillo Gonzales, director of EL INDEPENDIENTE newscast.

CSO: 3010

## GUATEMALA

### BISHOPS URGE REFLECTION: END OF VIOLENCE

PA201943 Panama City ACAN in Spanish 1844 GMT 19 May 80

[Text] Guatemala City, 19 May (ACAN-EFE)--The Guatemalan Episcopal Conference stated today that "neither the fear of communism nor the fervent desire to change the present unjust structures are an excuse of justification to kill one's brother."

"We emphatically remind all Guatemalans, especially those who promote and maintain violence and whose hands are stained with blood, that no one has the right to make an attempt against his brother's life because life is a sacred gift which cannot be desecrated without punishment," the statement added.

The statement also adds that "the voice of God resounds in our country crying: Cain, what have you done to your brother Abel," and that "it is urgently necessary to pause on this road of self-destruction and set aside our selfish interests to reflect with good sense and prudence."

"National problems cannot be solved by destroying the citizens' organizations, intimidating media personnel, nor trying to silence the voice of the messengers of the Gospel," the bishops added.

The bishops also say that "it is illegal to make attempts against the lives of those who possess earthly goods or are in charge of keeping public order and insuring the security of the country."

The bishops urge the faithful not to let themselves be guided by extremists of any color and to strive to "strengthen unity among themselves and with their legitimate pastors."

In their statement the bishops also recall that "in all seriousness it is unchristian and morally degrading to remain indifferent to the suffering of our people and to look upon the violent death of our brothers as a normal and routine occurrence."

The Episcopal message is based on the coming beatification of "Brother Pedro de San Jose Bethancourt" which will take place in Rome on 22 June. The bishops mention brother Pedro as "an example of loyalty to the Gospel."

"We, the bishops of Guatemala, consider it timely to recall the holy figure of Brother Pedro and to present his humanitarian actions as a light to illuminate the path of Guatemalans in this hour of suffering and darkness," the bishops said.

The bishops analyze what they call "the present situation" and state that "every day violence results in an alarming number of victims, kidnappings, tortures and murders. Gangs of paid assassins roam and operate throughout the country."

They also state that "neither the holders of power and wealth nor the peasants and Indians from the most remote regions escape from this uncontrollable wave of violence." The bishops also analyze violence against the Catholic Church which includes "death threats and the murder of many religion instructors and preachers of the word of God."

They also recall the murder of the priests Hermogenes Lopez Cuarchita and Walter Voodeckers and the kidnapping of priest Conrado de la Cruz and his companion, religion instructor Herlindo Cifuentes Castillo.

In conclusion, the bishops express their hope "that the celebrations on the occasion of Brother Pedro's beatification may make us understand that the only right way to solve social, political and economic problems is to be found in respect for man, his values, and his dignity."

CSO: 3010



UNIVERSITY RECTOR DISCUSSES SCOPE OF REPRESSION

PA171238 Panama City Televisora Nacional in Spanish 2315 GMT 16 May 80

[Excerpts] More than 70,000 killings have occurred in Guatemala in the past 25 years through repression, Dr Saul Osorio, rector of San Carlos University, told this station today. Repression of the Guatemalan people, the rector added, is increasing every day and the situation is worse than in Uganda under Idi Amin and in Chile under Pinochet.

Here is the interview he gave to reporter Ivan Zurita: [Begin recording]

[Question] Rector, what is the current situation at San Carlos University as a result of the political situation in the country?

[Answer] Well, repression has increased, or rather intensified, against the university. It has been intensified against all the people but I emphasize the situation at the university for the following reasons: It is a financial type of repression. It is a smear campaign of a manifestly fascist turn which denotes a repudiation of and contempt for culture. As if this were not enough, the regime has undertaken a wave of crimes which over a recent 20-day period claimed 19 victims.

I could also cite my personal situation. I have had to live practically 2 years in hiding in various homes, looking for ways to do my work at the university. I have not seen my family for 2 years. Therefore the university situation is difficult and it is part of the overall repression of the Guatemalan people.

[Question] In view of this lack of respect for university autonomy and the intensification of political violence and repression in the country, what role is the university student playing?

[Answer] Well, a role of struggling to defend human rights. We can say that the attitude of the Guatemalan people, despite what I have told you, is militant. They are discontented and have been ready to fight for many years. The university students, along with the peasants and workers, have long been victimized by repression. Historical data since 1954 indicate

that about 70,000 killings have occurred, of which not one has been investigated. This far exceeds the dead reported during the Cuban revolution and the Nicaraguan revolution together. Getting back to your question, I can tell you that the attitude of the university students in Guatemala is a valiant one.

[Question] What do you think is the goal of the Guatemalan people in view of all this?

[Answer] Well, right now they are united in a democratic front against repression. They are rallying around this front, which could at any moment change and stop being a democratic front against repression, for instance. This is just an idea I am kicking around here with you. This might occur in the short run in pursuit of a democratic solution in Guatemala because one cannot make sectarian proposals under the current circumstance.

The struggle for democracy in Guatemala now is a valid and fitting struggle and I think it is supported by 90 percent of the people. They want to see a democratic system created in view of the degree of repression in our country, which is comparable only to Idi Amin's repression and exceeds Pinochet's. In the current circumstances there is no possibility of dialogue because the power spheres in Guatemala, both the political and government sphere and the nongovernmental power spheres, have precluded every possibility of dialogue.

[Interviewer] Dr Osorio, thank you for your remarks. [End recording]

CSO: 3010

## GUATEMALA

### BRIEFS

OIL MAY BE NATIONALIZED--Deputy Guillermo Villar of the Christian Democratic Party bloc said that if foreign companies do not abide by legal commitments, the nationalization of exploitation and exploration of Guatemalan oil would be relevant. Villar said that his party believes that a thorough analysis of the laws on exploration and exploitation of national petroleum is urgently needed to determine if the foreign companies are abiding by the laws established in this country. Congressman Villar said that if foreign companies do not abide by commitments they made in connection with the exploration and exploitation of petroleum, it will be up to the courts of justice to defend the interests of the nation. This was deduced from the statements of Jorge Luis Monzon, secretary general of mining, hydrocarbons and nuclear energy, to the effect that petroleum exporting companies have refused to recognize the 51 percent according to the laws of the nation [as heard]. [Text] [PA290200 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 28 May 80]

CSO: 3010

LOPEZ PORTILLO INTERVIEWED BY 'DER SPIEGEL'

Mexico City EL DIA in Spanish 6 May 80 p 8

[Interview with President Lopez Portillo by Miss Jutta Fischbeck, editor-in-chief for Latin America and Spain of DER SPIEGEL, and Mr Heinrich Mueller, correspondent in Mexico, on 28 March at Los Pinos: "We Must Turn Petroleum into Permanent Growth"]

[Text] During the interview with DER SPIEGEL, the President said that petroleum policy is a factor in the negotiations with the United States; sufficient progress has been made in all fairness and the revolutionary slogan of "Land and Liberty!" has been implemented. Lopez Portillo thinks that Mexico is not a rich country but it has much in the way of energy reserves.

JF (Jutta Fischbeck): Mr President, Mexico is the first country where, in this century, poor peasants made a revolution against a small group of rich feudal landlords. Now it seems that something similar is happening South of Mexico, in the little Central American republics. As a son and heir of the Mexican Revolution, are you happy over that?

JLP (Jose Lopez Portillo): About the Mexican Revolution, yes.

JF: No, about the one that is now taking place in Central America.

JLP: I cannot be happy with these disturbances; but it is perfectly explicable that social problems seek their own solutions; thus, what is happening in Central America now can be explained as a function of the fact that repressive solutions are not logical outlets for social and economic problems.

JF: How do you explain the fact that in Nicaragua and El Salvador it took so many more years than in Mexico for the rebellion to break out?

JLP: Because of the series of international tensions and repressions. The international economic system has been extended and has in some way managed

to penetrate the leading classes and this has prevented the achievement of a rising flow of social movements.

JF: In contrast to the October Revolution in Russia a few years later, or the Cuban Revolution much later, the Mexican Revolution did not wind up with socialism. In your opinion, looking at the developments that began in Nicaragua and that now seem to be starting in El Salvador, where is all this headed?

JLP: Each of the two national positions will have its own expression. I cannot tell you where all this is headed--I am not a prophet. I believe that it is seeking its own level of justice, combining it with some system of liberty. And this is what I can tell you in reply regarding those social movements.

JF: You are not a prophet but you are a man with great political experience. In the light of your political experience, where do you think all this is heading?

JLP: Well, if we were to go along with the intentions of the young Nicaraguan revolutionaries, they would be preparing a socialist system for the 21st century.

JF: Cuban, more or less.

JLP: No, Nicaraguan. We are talking about Nicaragua here. That is the problem with the revolutionary schemes of Central America: people immediately want to classify them and, in classifying them, they right away try to impose certain imperative characteristics upon them. My idea is that they should be left to their own full self-determination so that they may express their own solutions. I cannot tell you anything except that the world guarantees those revolutionary movements their own self-determination, without prejudging them.

Heinrich Mueller: What you would want is a domestic model of socialism in Nicaragua?

JLP: That might be.

JF: Does it seem to you that Guatemala will be the next country to fall?

JLP: I could not tell you that.

JF: During your visit to Nicaragua, a couple of months ago, you said that the embryo of something very new, something very great is developing there, something which could become very interesting for the future of the American continent. What precisely did you mean by that?



JLP: Well, I assumed that this was sufficiently clear but I will try to explain this further:

There are social systems which, in guaranteeing liberty, sacrifice justice; there are systems which, to guarantee justice, sacrifice liberty; there are systems which, to guarantee order, sacrifice justice and liberty. I think that the Nicaraguan system, looking at the experience of the Mexican Revolution and the Cuban Revolution, can discover a new synthesis, a new expression which will combine order, justice, and liberty, in a more effective manner than this has been done in Mexico and Cuba.

Heinrich Mueller: In Nicaragua, Mr President, you also admitted that the Mexican Revolution had become bogged down. In what way could it now be an example for Nicaragua?

JLP: In the sense that here we have guaranteed the exercise of liberty and we have not made sufficient advances in terms of justice, even though we do have the formulas and the ways that are wide open and even though we are trying to get going. The pace has been sufficiently effective; the formula, in my own personal opinion, satisfied me. That is what I was trying to say.

JF: Over the past 3 years, Mexico has joined the world's six richest countries in terms of petroleum reserves. Could you permit yourself to support that embryo of a new model in Nicaragua also financially? Are you doing this or are you leaving the field to the Cubans?

JLP: Well, I do not believe that the Cubans are financing that; they have their own financial problems, as do we. Although Mexico has reserves, they are precisely that: reserves. We have not turned those reserves into actual wealth as yet. We are right now struggling with a very severe financing problem, precisely because we must invest in the petroleum area. So we are not a rich country, we are a country with reserves, with lots of reserves.

JF: But are you financing Nicaragua?

JLP: We are supporting Nicaragua with everything we can spare and in every way we can.

JF: Could you be more specific?

JLP: Sure. We are supporting them with purchasing systems, we are sending them goods which are useful to them, in modest proportions, but rather effectively at that; we are helping them find financing formulas, with the kind of support that is customary in such cases; we are supporting them technologically and administratively, and, finally, we are giving them every

help we can.

JF: Are you also sending them petroleum?

JLP: We are going to sell them some. We have not yet found a formula. Guaranteeing them a petroleum supply comes later.

JF: At a profitable price?

JLP: Under conditions which will be mutually satisfactory.

IM: Mr President, you said in Nicaragua that the culture of Latin America is being exported in Nicaragua. In helping Nicaragua, are you thinking somehow of the future of Latin America?

JLP: I believe that if, in Nicaragua, they manage at this time, at the end of the 20th century, to find a formula in order to get away from the repressive phases and to open the way toward the social solution, that might be an example for Latin America, from that moment on.

JF: Last year you met for the first time with the Cuban chief, Fidel Castro, on the Mexican island of Cozumel. Did you develop something like a common strategy for Central America there?

JLP: No, in no way whatsoever. Developing strategies of this kind is not a part of Mexico's plans--and I do not know anything about Cuba in this respect. We took up multilateral and bilateral matters but no common undertaking of that kind.

JF: But, if you did not specifically talk about strategy, you surely did talk about what is happening at this time in Central America.

JLP: Just as we are talking about this right now.

JF: Without agreeing on anything?

JLP: There was no agreement on that point.

IM: In Panama however you said during a rather important speech on the situation of the Latin American countries, that unity would be the basic factor for liberation in Latin America. Is this also a strategy of some sort?

JLP: This is a very old objective, it was advanced by Bolivar, and it is a desirable thing. So far, it is not a strategy, it is very far from being a strategy, unfortunately.

JF: Have you been able to figure out what Fidel Castro's strategy in Central America is?

JLP: No, I have not been able to figure it out.

JF: Did this not interest him either?

JLP: I would suggest that you ask Castro that question, if you have an opportunity to do so.

JF: South of its borders, Mexico thus has a group of small countries that threaten to blow up into a civil war or revolution and to the North you have a very powerful neighbor, extremely irritated at this time by Soviet intervention in Afghanistan and accustomed to looking upon Central America as its own backyard. Does this not mean that Mexico is in a rather uncomfortable situation right now?

JLP: Well, this is the historical situation we face now; we have survived that neighborhood situation and we have managed alright.

JF: Is this situation getting any easier or is it getting more difficult because of the fact that Mexico has something which the United States at this time needs urgently, in other words, probable reserves of 200 billion barrels of petroleum?

JLP: It is getting easier.

JF: In what way?

JLP: In the sense that we have something which they are interested in and this is a factor in our negotiations.

JF: United States Secretary of State Cyrus Vance said a short time ago that Mexico is one of the world's most important countries for the United States. Has your big neighbor to the North tried to interfere in your future petroleum policy?

JLP: No, in no way whatsoever. I have not gotten any pressure of any kind. We have a very long-standing trade relationship; 70 percent of Mexico's trade is transacted with the United States; we are the country's fourth-ranking customer in the world and the most important one in Latin America; our trade relations do exist and petroleum simply is an additional item which enables us to even out our balance of trade which almost always has been unfavorable to us. Now we sell the United States gas, we sell petroleum, and the position in this trade is beginning to be less unfavorable for us or it can be less unfavorable for us. As simple as all that.

JF: Out of disgust with the United States hunger for petroleum, you said in the beginning that Mexico until 1983 would not produce more than 2.25 million barrels per day. Now, however, you have announced that petroleum production would be increased. Does this mean perhaps that you are meeting the United States half-way somehow?

JLP: There is one thing I want to make perfectly clear and that is that Mexico's petroleum policy is not determined in accordance with United States interests, but rather because of Mexican interests. This is a distortion which I have frequently encountered in the United States and I am astonished to find it in the rest of the world, in spite of my emphasis on this point. Mexican policy in the matter of petroleum is based on the country's needs. I said a long time ago that we would have a spread between 2.25 and 2.5 millions and I added on 18 March that we were going to have a leeway of around 10 percent to guarantee an increase in supplies in Mexico and to guarantee exports on the order of 1.1 million barrels per day between now and 1982, with a possible revision in 1981, because these things are very changeable. But I do want to make it clear that, so long as the World Energy Plan proposed by Mexico has not been accepted, the only reason that would make us change our policy would be connected with the national interest and not the requirements of the United States or any other country in the world.

JF: Washington has already made it quite clear that, if necessary, it will assure its influence over the oil fields in the Persian Gulf with military means. General Galvan, the Mexican Defense Secretary, a short time ago demanded more military security for the Mexican oil fields. Do you consider imaginable --I am not saying possible but imaginable --any intervention by the U.S. Marines in the Gulf of Campeche?

JLP: I do not believe that. That would be an attack against the system of coexistence and against all international rules which govern us. I do not want to visualize that.

JF: There have however been military interventions in Mexico.

JLP: I do not want them to be repeated; I do not want them to be repeated in any way whatsoever.

JF: Is Mexico, in turn, going to use petroleum as a political weapon, if necessary?

JLP: No, this is a factor in the country's economic exchange which for the first time will enable us to hold a favorable position in the balance of trade and that will give us financial self-determination.



HM: Last Friday, Secretary Castaneda admitted that petroleum was not going to be used as a political weapon but as an essential instrument in support of a more active foreign policy which would make a contribution to the country.

JLP: Yes, foreign relations involve international trade, of course. In international trade, our petroleum position enables us now to attain certain goals, something which was not possible in the past; but this is not a strategy of penetration or predominance, nor is it aimed at arbitrariness or prepotence; it is simply a commercial position of a freer and more easily handled international character.

HM: Nevertheless--and pardon me if I bring up this topic again--in February, after Quito, there was a meeting of the COPPAL (Conference of Latin American Permanent Political Parties), which, in one of its resolutions, stated that petroleum sales would have to be prevented wherever such sales would help antidemocratic regimes. One of the signers of that declaration is Gustavo Carvajal, President of the PRI [Institutional Revolutionary Party]. Now, do you not believe that. . .

JLP: That is a fact.

JF: That is a political position.

JLP: This is a position adopted by the party at an international meeting, such as the one you are talking about, and that is all.

JF: But it is the position of the party in power.

JLP: This is not the party in power; this is the Institutional Revolutionary Party.

JF: Your minister of industrial development said that Mexico does not want to be a typical petroleum exporting country which only sells petroleum and has to import everything else; however, this is precisely what seems to be emerging already for some time: the petroleum portion out of the total Mexican export volume has gone up, within one year, from 29 to 42 percent, whereas you have to import food products, such as cereals, oil crops, etc. Do you not believe that, in the final analysis, this kind of development can bring you precisely what you do not want?

JLP: Of course, there is a risk--that is obvious; but this is precisely why we determined a spread such as the one I referred to and this is also precisely why we are establishing a Mexican Food System to take care of the other priority which I established from the very beginning of my administration. There were two of them: energy--where we have already been successful, and food, where we have not yet been successful. Recent



cereal imports are due to a highly unusual drought and frost in the country's agricultural heartland so that this disastrous event cannot in any way be taken as a decisive factor but rather as an accident which we are trying to avoid through a broader support system.

Our work, our priority will in this sense be aimed at using our petroleum surpluses in order to achieve balanced development throughout the country, including of course basic food items.

JF: In Venezuela, the other big petroleum producer in Latin America, petroleum wealth has led to a social imbalance with a heavy impact. How do you want to prevent petroleum in Mexico likewise from making the rich richer and the poor poorer?

JLP: I said a moment ago that we are seeking balanced development. This can be achieved first of all by balancing the petroleum investments and the foreign exchange which come in; in other words, the expenditures connected with producing and the income deriving from production. First of all, we want to use the petroleum surplus for the development of projects aimed precisely at a balance--one of the fundamental ones here being food--and other projects which we are already looking at and which will enable us to shift the population from the highlands to the coast in order to organize our economy toward the production of basic items and toward exports.

Petroleum and the rest of the raw materials which we can develop in the country will enable us to say that, by combining the Industrial Development Plan with the Human Settlement Plan we will achieve balanced regional, sector, and factor development.

The Overall Plan is scheduled to come up any day now and in that plan we precisely seek to achieve those priority objectives and to organize our society in such a manner that this will not become a characteristically petroleum-producing country. This we can achieve.

JF: And would you say that this is the first and most important thing you want to do with petroleum?

JLP: Sure, in other words, turning petroleum into permanent development.

JF: Now, in Mexico, the gap between the rich and the poor has grown rather considerably in recent years. Almost 40 percent of the Mexican active population is unemployed or under employed; almost half of the Mexican families are underfed; an equal number of families is making only 3,500 pesos per month and at the same time 5 percent of the population are getting 25 percent of the national income. Is this not especially bitter for a country which some time ago made a social revolution?

JLP: Not only is it bitter but it is the challenge that must be resolved and it is precisely the intention of our plans to resolve that problem.

JF: How can you explain the fact that it has been possible for this situation to arise?

JLP: The explanation for that is rather complicated. There are factors of a demographic nature, on the one hand; and, on the other hand, you have the development model which we wound up with, as a developing country, which the ECLA recommended to us, calling for the substitution of imports; that brought about a sacrifice in the rural sector for the benefit of the industrial sector as part of an effort to modernize the latter and other countries which in turn created an inequitable distribution pattern, independently of the axiological factors of our revolution. In other words, we opted for the development-oriented growth pattern in spite of the axiological factors in which we believed. And that is now forcing us into a series of corrections and it is making us change the model which is no longer any good to us when it comes to solving the basic problems of social development.

HM: This is basically a structural problem.

JLP: It is a problem deriving from an insufficient, inadequate, and incomplete industrial development pattern which satisfied certain purposes during a time of stability and which does not work now. We must make a substantial adjustment, and we indeed are going to do that--we already have our plans on that; but this is in spite of the imperatives of our revolution--and I want to emphasize that. This is an unexpected but correctable consequence.

JF: You would then not recommend the system of soil distribution and agrarian reform, such as it was carried out in Mexico, to other Central American countries which will have the same problem in instituting an agrarian reform?

JLP: The problem of the revolution and its distribution system is that it was devised for a population of 16 million, with a primitive rural production system. The production units were broken up and the land was distributed, instead of the product; when the production units were broken up, we were faced with the inconvenience of tiny farm plots which we are now wanting to correct by recreating production units from which we are going to eliminate the exploiter who accumulated wealth and that wealth will now be distributed more equitably.

Why? Because the system of justice became inefficient and we do not believe that justice is incompatible with efficiency. We believe that we can be fair and efficient at the same time and that is what we are after by reorganizing the country's agricultural solutions.

JF: Now, to repeat--the battle cry of the Mexican Revolution was Land and Liberty! Nevertheless, half of the unemployed today are peasants and there have even been wild occupations of land by desperate peasants. What is being done with those peasants?

JLP: The battle cry Land and Liberty! was implemented: we did distribute most of the land in Mexico. What is happening is that we grew from 16 million to 70 million and that the solution now does not reside in the distribution of land but rather in other activities, in industry and, fundamentally, in services.

What is happening in the country at this moment? A sum of factors which keep us at the crest of the wave--this is a phase in our history which will never come back; on the one hand, we have had a quantitative increase over only 60 years and as a result of the revolution itself. This is something which is normally not noted: by virtue of the capacity it had in restoring the country, the revolution itself increased the population from 16 million to 70 million; the average life span grew from 33 to 60 years; the child mortality level has dropped extraordinarily. Much longer life expectancies mean a currently very peculiar qualitative structure--and this is one of the things that are also frequently ignored; now, 70 percent of our population are under the age of 25; 50 percent of the population are under the age of 14. So, the country's labor force is constantly changing and that really makes the employment or unemployment statistics highly unreliable. This, I repeat, will not happen again.

At the same time, another phenomenon is taking shape: the rural population is being transformed into an urban population at extraordinary speed.

HM: This is a typical symptom in Mexico City.

JLP: In all big cities, Mexico City, the city of Guadalajara, the city of Monterrey, the city of Tijuana, and Ciudad Juarez, Puebla.

This is a perfectly explicable movement: at the beginning of the century, our population was 80 percent rural and 20 percent urban; by the end of the century, the ratio will have been reversed; we will have 80 percent urban population and 20 percent rural population; this is a good thing because the rural areas cannot hold on to the labor force if it wishes to be productive.

HM: And who precisely is going to produce the necessary food?

JLP: The peasants, but in adequate numbers and in the proper proportion. It is a mistake to overload the manpower in the rural areas. One of the most productive countries in the field of agriculture is the United States and less than 1 percent of its population is involved in agricultural

activities; the rest are in secondary activities and above all--and this is one of the things that is happening in the most advanced countries-- in tertiary activities, in services, some of which are highly specialized. This is bound to happen in Mexico likewise if we want to resolve its productivity problem; what you have here is a ratio between labor force and output.

Let me repeat: the rural population will inevitably become urban and this creates a series of wealth distribution problems and services distribution problems, etc., which will never happen again in our history. We are passing the top of the crest now. This is something I frequently emphasize to my fellow citizens in order to explain to them many of the phenomena which will never recur and which this generation must resolve. A single generation has been transformed, and my generation--I was born in 1920 when the revolution was not yet over--has witnessed growth from 16 million to 70 million along with the switch from the rural population to the urban population; there has been a tremendous increase in the young population, in education and training needs; there has been a concentration of problems which will not be repeated and which, after they have been resolved, will guarantee the country's progress.

This explains many of the problems which the statistics show up in terms of unfairness in income distribution. Much could be said about that, not to justify the situation but to explain it.

JF: For half a century, Mexico has now been governed by a single party--the Institutional Revolutionary Party. No other country in Latin America, in Asia, or Africa, has established so steady a political system; but, as you said, this system was erected at a time when Mexico had 16 million inhabitants and was a country of peasants, primarily. Today, Mexico is a country on the road toward industrialization and has 70 million inhabitants. Does this not mean that it is also indispensable to make corrections in the political system?

JLP: We have just done that and we called it the political reform.

JF: Can you explain it a little bit?

JLP: Yes, of course, I would be happy to do so. We said that the important thing is to legitimize the struggle between opposites; dialectically speaking, the minorities have the right to share the responsibilities under the system; we have established an electoral system which guarantees the representation of the minority parties by giving them 100 seats out of the 400 seats in the Chamber of Deputies; those 100 seats we have called plurinominal; they are given to the minority parties on the basis of certain rules, plus 300 which are won by an absolute majority. This is the kind of system where the voter



can vote, at the same time, for a majority deputy and for a minority deputy, in certain characteristic parts of Mexico City. For example, we had a case where you could vote, through the Institutional Revolutionary Party, for the majority candidate and, on the plurinominal or minority ballots for the Communist Party. The same voter thus voted for the PRI and for the Communist Party. This is the system which guarantees us the representation of the minorities in the Chamber of Deputies and this system makes them share in the responsibility for institutional decisions.

IDM: But do you not believe, Mr President, that a voter who, at the same time, voted for the PRI and for the Communist Party--two parties which advocate quite differentiated political positions--would also be an example of a rather low level of civic consciousness and a low level of political knowledge, when it comes right down to it?

JLP: It simply means that he understands his country, that he knows that there is a way out of the current situation through the system which guarantees the majority party and if he wants to advance toward other positions, he has the option of voting for other parties. I gave you the example of the Communist Party but there were also cases which involved the right-wing party, the PAN [National Action Party] or the Democratic Party, which also can be called a right-wing party, or the Socialist Party. I simply gave you an example. It means that there are broader options for the citizen. Of course, a PRI member will consistently vote for his majority or minority candidate in the PRI but there will be those who will seek other options. This is a legitimate democratic option which reveals the possibility of a much broader interplay of options.

IDM: Has there been a militant of the PRI who also voted for the Mexican Communist Party?

JLP: Well, I do not know; the voting is secret, but I suppose that this did happen.

JF: Mr President, in your foreign policy you lately have given some clear signals of a dissociation from your most important partner, the United States. You refused to receive the former shah of Iran back into the country after he had gone to a clinic in New York; nor did you vote for a request to blockade Iran submitted to the Security Council by the United States. On the other hand, French President Giscard D'Estaing visited Mexico a short time ago and you yourself will go to the FRG for the first time. Do you expect more understanding from Europe than from the United States?



JLP: The word "understanding" perhaps somewhat disturbs the question. We are not seeking understanding; we are seeking fair trade and adequate, respectful relations between free countries which will be mutually useful for us. I am not going in search of understanding; that comes from the human condition and the system of coexistence under which we exist. We are going to step up our economic, commercial, financial, ecological, and cultural contacts with a view to the position which Mexico currently holds by virtue of its petroleum surpluses which involve a process which can enrich this relationship.

JF: Mexico is importing 2 billions worth from the FRG but is exporting only 420 millions worth there. Could this difference not be balanced out through Mexican exports of petroleum to the FRG?

JLP: Petroleum, or any other natural or processed product which the country has. That is what we are heading for precisely.

JF: And will you talk about that in Bonn?

JLP: Naturally. Anything that adds up to so striking an imbalance must be corrected. We are going to seek that correction.

JF: Mr President, thank you very much.

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## LACK OF STORAGE FACILITIES MAY AFFECT OIL PRICE

Mexico City EL DIA in Spanish 29 Apr 80 p 7

[Article by Sara Lovers: "Petroleum Price May Vary Due to Lack of Storage Facilities"]

[Text] Sales of crude abroad have been held up in recent days due to the surplus of transit volumes in ports of destination and a major delay in the loading in the port of Pajaritos, Veracruz, according to Mexican Petroleum.

The storage of crude has even made it necessary to close some of the country's producing wells, with delayed production raising the cost to \$28 per barrel. The country's storage capacity only comes to 24 million barrels.

PEMEX [Mexican Petroleum] noted that this paralysis could influence crude prices and said that this is directly related to the worldwide availability of stored crude petroleum exceeding 5 billion barrels.

Unloading activities have been seriously slowed down in some United States ports.

As we know, Mexico, for the second quarter of this year, did not raise international petroleum prices and, although it did leave open the possibility of changing them, the situation described here now prevents any further change.

PEMEX explained that each barrel of petroleum, which is not extracted today, for example, cannot be recovered until the last day of the deposit.

### Decline in Shipments

At Pajaritos, Veracruz, the holdup in tankers belonging to PEMEX customers has caused a considerable drop in shipments which had been planned for dispatch at this time. The currently limited storage capacity cannot be increased until the completion of the construction of the Cayo de Arcas terminals, in the Gulf of Campeche, and at Dos Bocas and in Cardenas, Tabasco.

To prevent these problems from arising in the future, as we know, the PEMEX manager on 10 April agreed with Curacao Oil Terminal on the rental of space, crude handling services, and port facilities to export Mexican crude with the additional support of the refineries of Curacao in order to refine a certain volume of Mexican crude output.

The surplus of oil in transit in other parts of the world, particularly in the United States, has caused delays in order to alleviate the situation and this is reflected in the fact that the tankers have to wait so that they are not free to leave, deliver their shipment, and return to pick up new volumes of oil in the export ports.

The official PEMEX spokesman explained that, as we know, Mexican crude is sold f.o.b. at the Mexican Gulf port, in this case, Pajaritos, which is why the customers have to pay for transportation.

In spite of this situation and the situation which sprang up 14 days ago, because of the slowdown in loading activities, PEMEX believes that the volume of crude, whose export will be delayed, will not be very large.

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JAPAN TO TRIPLE INVESTMENTS HERE IN 1982

Mexico City EL DIA in Spanish 29 Apr 80 p 7

[Article by Sara Lovers: "Jetro Machinery and Technology Exhibit in Mexico Will Be the Biggest Ever"]

[Text] The Japanese will triple their investments in Mexico by 1982, by which time they will have financed miscellaneous projects worth a billion pesos, as the first goal in order to become the principal country with which Mexico has bilateral economic relations, according to Tetsuya Endo and Kasutoshi Hashimura, minister of the embassy of Japan in Mexico and official of the Jetro-Tokyo Company, respectively, in a statement yesterday.

The Japanese officials announced that the Japanese Machinery and Technology Exposition would be held on 2 May, along with a seminar on joint investments under the topic of "Toward Greater Collaboration Between Mexico and Japan."

One of the major projects anticipated for this new era of relations involves the establishment of a heavy steel forge and foundry plant in Las Truchas, Michoacan, which will involve an investment of 6 billion pesos and which will open for business in 1982.

The basic objectives in the Japanese approach are as follows:

Promote Mexican products for sale in Japan since the balance of trade with that country currently is unfavorable for Mexico;

Establish trade relations involving \$800 million;

Implement joint investment projects primarily in the areas of port construction, steel industry, railroads, electric energy, etc.;

Introduce new technologies and transfer others;

Step up collaboration to increase joint Japanese investments in industrial projects in Mexico, primarily relating to the development of medium and small industries.

In addition, a seminar will be held on 13 and 14 May on Mexico-Japan Technology, where topics will be discussed relating to metalworking technology, electronics and its application in industry, legislation on technology transfer, steel industry and railroad systems.

#### Current Situation

The officials provided a briefing on the current situation of our trade and noted that direct joint Japanese investments come to \$160 million, equivalent to 4 percent of the total foreign capital in Mexico, very much below the level of joint United States investments which take up approximately 70 percent of the total foreign capital in Mexico.

Right now, there are 100 Japanese companies in Mexico of which 35 deal in manufactured articles.

Joint Japanese-Mexican investments began in 1955, primarily in the industrial area.

The Japanese officials again and again noted during the press conference that it is important to even out the balance of trade between Japan and Mexico. In 1979, the Japanese sold Mexico \$800 million worth and Mexico shipped commodities worth \$500 million.

The exhibit, according to the manager of the machinery division of Jetro, will cover an area of 5,300 square meters, subdivided into 200 stands; he said that this would be one of the biggest exhibits Jetro has ever organized in recent years.

The event will be attended by 200 Japanese companies, reflecting interest in Mexico, in order to use this opportunity to step up commercial relations between both countries.

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CSO: 3010



MEXICO

JLP TO JAPANESE: ENERGY PLAN WILL NOT VARY

Mexico City EXCELSIOR in Spanish 4 May 80 pp 1-A, 8-A, 9-A, 10-A

[Text] President Lopez Portillo assured Japanese television that Mexico will not alter its petroleum policy in view of the continued worldwide disorder in the energy field and he said that changes would be justified if there were the kind of order "such as we proposed it to the United Nations."

He regretted the fact that negative situations, as presented before the UN, did occur and he expressed his confidence that the world "will have sufficient spirit of reason to prevent a catastrophe. We view the situation with great concern and we emphasize the need for maximum exploitation of this petroleum age to the benefit of humanity."

These statements were made by the chief executive to Mr Masahiro Kimura, of Asahi TV, Tokyo, to be telecast in Japan today; he emphasized that "we disapprove of the Russian invasion of Afghanistan" and "we have nothing to do with the Olympic boycott."

In response to Japan's request that Mexico sell it more than 100,000 barrels per day, he also said that "we are going to make a maximum effort to meet this request, as part of the production policy established by this country. But we are not going to take the place of Iran and this will be a question of taking supplies away from traditional customers with whom we have long-standing relations."

Here is the text of the interview which President Lopez Portillo granted to the Japanese newsmen in the library at Los Pinos.

Question: I would like to start with a question on domestic issues. The Overall Development Plan was published a short time ago. This plan places major emphasis on the exploitation of the agricultural and livestock sector, in contrast to traditional policy. Could you explain this change in

economic policy to me?

Answer: This is not a change, it is simply a strategy. If you recall-- and if not, I am telling you now--I have, from the very start of my administration, stated two fundamental priorities for the country's growth: energy, where we have already been successful, because it is the government that explores and exploits petroleum and develops it; and food. Food fundamentally is obtained from the farming areas and the agribusinesses. Thus, the only thing we have done is to come up with a certain adjustment due to the new circumstances in order to attain the kind of priority which we have not attained so far; and we are providing impetus for this through what we have called the Mexican Food System which is aimed at the production, distribution, consumption, and consistent organization of the peasants in order to attain this goal. In other words, there is no change in policy-- just a change in strategic emphasis, let us say.

Question: The deterioration of relations between Iran and the United States is causing many international problems, especially disorder in the supply of hydrocarbon resources. As the world's sixth-ranking power, how does Mexico view this conflict?

Answer: With great concern because what is happening now is precisely what we are afraid would be happening, as we told the United Nations in September: disorder in the supply of energy sources has been creating tensions that could lead the world into a war of unpredictable aspects. Things are happening even before we suspect that they might be happening; we regret that very much and we hope that the world will display a sufficient spirit of reason to prevent a catastrophe.

Question: With respect to the topic of investments, I would like to ask you once again about that plan which you proposed in the United Nations on 27 September. Could you repeat its significance? How has this plan been progressing so far?

Answer: It is coming along like all things that come up within the United Nations, with explicable but not satisfactory slowness. Along with other plans submitted, it is supposed to be considered by the assembly this year and within the context of the economic and development policies for the decade. We hope that it will be a lucky plan. And I say to you that the resolution of this disorder in the supply of energy sources is part of a plan designed to resolve those very limited and very limiting situations so that they may be fitted into a worldwide energy plan in which we consider that the world must be prepared to change the energy system based on petroleum, switching to another source to come, making maximum use of this petroleum age in order to be able to make the transition in a better fashion, without disturbances, without war which would exhaust the energy sources;

in other words, we must place more and more emphasis on this topic which is a matter of common sense here.

Question: Could this worldwide energy plan replace the OPEC which represents only the petroleum producing countries?

Answer: No, it has nothing to do with the replacement of the OPEC which is an organization of petroleum producers who successfully upgraded a fundamental raw material in the world. It has nothing to do with substitution. On the contrary. The important thing is for OPEC to join the plan so that, as producers, they may help in the orderly setup of exploration, exploitation, distribution, and consumption of this fundamental energy source for mankind. I do indeed want to make it very clear that this is not a plan for replacing the OPEC but instead it is designed to incorporate all those who are interested, all humanity.

Question: Mr President, what is your nation's policy on hydrocarbons in terms of their utilization and their production level?

Answer: We recently specified the spread--as we said from the very beginning--between 2,250,000 barrels per day and 2,500,000 barrels per day, with a degree of flexibility of 10 percent to guarantee domestic supplies and exports of around 1.1 million barrels. That is the spread we have established by virtue of the capacity of the country's investments in terms of the ability to produce that amount and the inclusion of foreign exchange into its economy, without any inflationary effects. That is our program platform.

Question: In other words, could we say that the central topic for decision is the domestic factor in Mexico and not the foreign factor?

Answer: Definitely; so long as there is no international order which would justify Mexico's changing its policies, we will naturally continue to accommodate the country's domestic interests, especially since this disorder does not give us any guarantees that the effort which Mexico might make would bear fruit. Thus, our policy has been drafted as a function of the country's development in order to turn petroleum into economic and social growth. This policy can be changed only if there were an energy system such as we proposed it to the United Nations. Otherwise, it would not be justified.

Question: By when might the goal, which you have just mentioned regarding the worldwide plan, be achieved?

Answer: It has been proposed to the United Nations which, we believe, is the forum where these decisions can be made on a worldwide level; we know when a proposal is submitted to the United Nations but we do not know when

it will come out. One could not really say.

Question: Regarding national policy, how much of the amount of hydrocarbons you just mentioned could be exported?

Answer: 1.1 million barrels.

Question: Would this amount not be increased?

Answer: Over a rather sufficiently long span of time, no; until we see how the country's economy behaves with those export indexes. We are going to stick to that policy and that is precisely what we want to indicate with this policy; in other words, a homogeneous, consolidated output policy which will enable us to make decisions later on; but for the time being, we stick by our decision.

Question: Is this variation of 10 percent in accord with conditions on the domestic and international market, as provided under the Overall Plan?

Answer: Yes, it is.

Question: By way of alternative, can one assume some minor increase for the domestic and foreign market, in case that were possible?

Answer: We believe that the 10-percent leeway would take care of that. Any variation is presumed to be included in those 10 percent with respect to the spread we specified originally back in 1977; we assumed that we would reach a figure of 2,250,000 or 2,500,000 by 1982. We were a couple of years ahead. In view of that anticipation, we already have reached our spread and we accepted this leeway of 10 percent precisely in order to make our decisions flexible.

Question: Now, Mr President, I would like to ask you about your administration's price policy regarding energy sources. What can you tell me about that?

Answer: It is the policy of the international market which is determined as a function of the worldwide monetary variations, the value of foreign exchange, the rise in the rate of inflation, the demand itself, as well as the supply, in other words, all of the complexities of the market.

Question: But, Mr President, that international price has traditionally been a little bit higher than the OPEC price. But a unified price has already ceased to exist within that organization and we have thus lost a common denominator.



Answer: Yes. That is why we are negotiating directly with our customers every 3 months; every 3 months we guarantee them the price and at the end of that period of time we negotiate with them; we agree on a price because we want to have broad, orderly, and balanced relationships. And then, by virtue of the quality of petroleum supplies and the prevailing circumstances, we do one thing or another.

Question: Could Mexico be considered a radical country in terms of the price policy on this product?

Answer: No. It is a balanced country where all factors of the international and domestic economy are considered--let me repeat--and if there are any variations in the price of foreign exchange, if there are variations in the supply, if there are variations in the demand, if there are variations due to inflationary factors, we take action in order to maintain the basic price which, for Mexico, signifies a historic opportunity to provide its own in-house financing, to get what we have called financial self-determination. This is a product for which there is a price on the market.

Question: Mr President, what would an ideal model of economic exchange between Mexico and Japan look like?

Answer: As I proposed during my trip to Japan, independently of commercial relations, which we might call ordinary, by virtue of the characteristics of the Japanese economy, its impetus and its prospects, we would like to elevate it to systems of associations involving joint enterprises which would enable us to obtain benefits to our mutual interest in a balanced and proportional manner.

Question: What role could Japan play specifically within the Overall Development Plan?

Answer: We are very much interested in what Japan offers us, how it is offering these things to us, in terms of financing, technology, and markets. Specifically, we believe that in the development of our industrial ports, all industries that could be established there, from steel all the way to petrochemical establishments, both in large-scale industry and in small-scale and medium industry, Japan could play a fundamental role in our system of association with foreign countries.

Question: What about Japanese opportunities in Mexico?

Answer: For Japan, Mexico signifies an interesting market for its products; an area where Japan can make its investments in order to meet the necessities of our domestic market and, based on that, it could then export to neighboring markets, from the United States all the way to Latin America. This is a



country which has raw materials that can be developed, a country that has a shoreline; a country that has sufficient human resources to back up many projects and to guarantee their success; it has energy sources, it already has an attractive installed capacity; finally, it is a country which can really take off and the expectations of a country under such conditions can be worthwhile for Japan.

Question: What do you think about the possible construction of the Panama Canal in which Japan and other countries would participate?

Answer: This is a very interesting alternative which was contemplated precisely in connection with the new status of the Panama Canal; this was one of the things which Panama itself emphasized heavily through the decisions made by Omar Torrijos and I believe that this is an alternative, a very interesting possibility for the world, if the interests of Panama are guaranteed because that would be the main resource for that country. Some people have petroleum while Panama happens to have proximity between two oceans; so it has the right to exploit its resource and if it finds a system which would guarantee its interests in a balanced and fair manner, I believe that the world would have much to gain through new access between the two oceans. There is much talk about the fact that this canal would be a sea-level canal which would avoid the need for locks which make transit such a slow thing.

Newsman: Above all, Mexico's hydrocarbons are concentrated on the Atlantic side and in this case, to export Mexican petroleum, you currently have to go around the Cape of Good Hope and then across the Indian Ocean and that takes 45 days to get there.

President Lopez Portillo: Yes, but we are solving the problem because we also have an isthmus, the isthmus of Tehuantepec, and the proximity of the petroleum area, the refineries, and those which are going to be built at Salina Cruz, which is on the Pacific, and which will give us an opportunity to have adequate installations to avoid this long passage.

Question: Mr President, here is the last question: what do you think about the cooperation plan between the countries along the Pacific Ocean, proposed by Prime Minister Ohira?

Answer: It looks very interesting to me. I believe that those of us who have some system which gives us a homogeneous means of communication have an obligation to and an interest in exploring these possibilities in order to utilize them.

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CSO: 3010

DE LA MADRID ADDRESSES SPANISH LEGISLATORS

Mexico City EL SOL DE MEXICO in Spanish 3 May 80pp 1-A, 10-A

[Article by Jose Miranda: "Petroleum Policy Unalterable--International Pressure Will Not Win Out"]

[Text] In addressing the deputies of the seven political parties, Planning and Budget Secretary Miguel de la Madrid said that petroleum resources would be used in accordance with the country's development needs and that international pressure would not dictate the sales measures governing the country's energy resources, nor would the country be turned into a petroleum nation in this fashion.

This statement came yesterday during a meeting of the Grand Committee of the Chamber of Deputies to which the secretary was invited and during which the Overall Development Plan for 1980-1982 was analyzed for 3 hours.

The official answered various questions both from members of the Grand Committee and from legislators on the committees on finance, planning and budget, and the Federal District.

At the end of the meeting, the coordinator of the parliamentary majority, Luis M. Farias, said that the political parties, represented in the Chamber, had expressed their fundamental agreement with the Overall Plan which, according to Farias, "is the most important document produced during the administration of President Lopez Portillo since it will have to be used to generalize the country's harmonious growth."

La Madrid also announced that PEMEX [Mexican Petroleum] would contribute 930 billion pesos, by way of surplus and profits obtained from the sale of energy resources, which would be allocated to the expansion plans of that agency and for the country's production development in its various sectors.

Miguel de la Madrid stressed the fact that, within the Overall Development Plan, special importance is assigned to fishing and he maintained that it is hoped that this industry will step up its growth by 25 percent by 1982 and that its catch capacity would rise 20 percent; it is likewise hoped that its

contribution to the GNP will increase by 9 percent by that year.

Concerning the federal budget for the coming year, the official promised the deputies that he would submit the budget draft for their decision in the Chamber sufficiently ahead of time.

This document provided information on all of the agencies and enterprises which are subsidized by the federal government and asked the deputies permanently to participate so that they may be familiar with the 1981 budget.

On the other hand, the secretary of planning and budget announced that 500 billion pesos would be allocated to the agricultural and livestock sector for the purpose of increasing its output and achieving self-sufficiency in the matter of food products.

He also said that special attention would be devoted to financing seasonal land purchases to increase their production capacity as part of the proposals designed to implement the Mexican Food System.

Regarding the Overall Development Plan, he noted that it is the result of a combination of plans and opinions from the various political parties, economic sectors, workers, peasants, and other people, concerning the country's organized growth.

He also emphasized that the plan has been rather slow in maturing and that its implementation was slow; but he maintained that its current significance is overwhelming because "this is not the high point of a process but rather a stage on Mexico's development road."

He also asserted that the PGD [Overall Development Plan] does not seek to bring about changes in the agrarian philosophy spelled out in the Constitution.

After 3 hours, Parias was thanked for having come.

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CSO: 3010

## MEXICO

### FOURTH LARGEST COBALT RESERVES CLAIMED

Mexico City EXCELSIOR in Spanish 26 Apr 80 pp 1-A, 11-A

[Article by J. M. de la Sierra: "Newly Discovered Cobalt Deposit Has Tremendous Strategic Value"]

[Text] Mexico has enormous deposits of cobalt.

This metal, whose strategic value is incalculable, has been found only in Canada, Zimbabwe, and the USSR in limited quantities.

Today, cobalt is irreplaceable in the construction of high-precision apparatus, in navigation instruments, and space systems and vehicles.

The current price, raw, fluctuates between 1,250 and 1,300 pesos per kilogram and the market is controlled by the highly industrialized nations which is why Zimbabwe has limited its exploitation.

In Mexico it was found in large quantities in the "calmanes" or the waste from the copper foundry at Santa Rosalia, Southern Baja California, by the plant's manager, Raul Duran Escamilla, a mining engineer, geologist, and metallurgist.

In its natural state, it is found mixed with the copper-containing mineral of this region whose new layers and deposits, discovered over the past 18 months, cover an area of approximately 100 square kilometers, with a proven presence within a radius of 50 kilometers.

It has been calculated conservatively that one kilogram of cobalt can be obtained for every ton of copper mineral, that its extraction can be

accomplished practically without any additional cost, and that its value, at current prices, would come to more than 12.5 trillion pesos.

It is also believed, rather conservatively, that the copper mineral layer may contain 10 million tons which would mean the extraction of 250,000 tons of pure red metal and 10 million kilograms of cobalt, at the very least.

For Santa Rosalia, Southern Baja California, a town of 16,000 inhabitants, which for almost a century watched while its natural wealth was being taken away by the big corporations from France and which had been doomed to disappear within a few years, the recently discovered cobalt and copper signify another half century of existence, bonanza, and change.

Concerning the discovery of the mineral, engineer Raul Duran Escamilla, a member of the Association of Mining Engineers, Metallurgists, Petroleum Experts, and Geologists of Mexico, announced that the first people to discover the cobalt were the French who came to the area in 1890 and who 5 years later founded the El Boleo mining company.

At that time, the technician added, when French investors obtained a concession from Porfirio Diaz, to work the copper at Santa Rosalia, there was no practical use for cobalt mineral and its existence was merely noted in the report on the subsoil analysis, without any quantitative determination of the content.

For 7 years, the French company devoted every effort and technique to the extraction and primary processing of copper, a product for which there was a great demand on the world market and which was found in large quantities in that part of the country, engineer Duran Escamilla noted.

As exploitation declined, not only because the layers, which had been subjected to indiscriminate extraction, were gradually becoming exhausted, but also because of the abrupt drop in world copper prices and in view of the unprofitability of the operation, the French El Boleo Company turned the mine and the copper processing facilities over to the government of Mexico, the technician added.

After nationalization, the El Boleo Mining Company, which was named for the nearby town, tried to make up for the exhaustion of the old deposits and that forced the federal government to make investments and to continue with low-content copper mining, indirectly subsidizing the 16,000 inhabitants in the area, since it was impossible to create other sources of jobs due to the almost total absence of drinking water in the area.

At the end of 1978, when the situation in Santa Rosalia was no longer tolerable and when alternatives were studied for the survival of the ..



departure of the town, the National Mining Development Commission, under the Secretariat of Patrimony and Industrial Development, appointed engineer Duran Escamilla to manage the mine.

With the help of the Mineral Resources Council, the new manager of the Santa Rosalia mine conducted prospecting and soil analyses which revealed the existence of 10 million tons of copper mineral in an area of approximately 50 square kilometers, plus the probable existence of another, equal quantity in a similar area.

As a result of this work, Jose Andres Oteyra, the secretary of Patrimony and Industrial Development, authorized new investments for the purchase of the copper processing plants as well as metals, such as gold and silver, which are found in small quantities in the copper-containing layer.

#### Physical Discovery

Engineer Duran Escamilla tried to recover copper from the primary foundry waste of that mineral. It was in these waste materials, called "caimanes" by the miners, of which there are no less than 300 tons, that the manager of the Santa Rosalia mine discovered large quantities of cobalt.

After confirmation of the existence of cobalt in the waste through tests as well as sampling, done at the laboratories in Tecmachalco, it was calculated that what had until then been known as waste from the primary copper foundry was worth about 50 million pesos, taking 1,250 pesos per kilogram as the minimum cobalt price.

#### Pilot Plan Developed

With the reports prepared by engineer Duran Escamilla, the secretary of Patrimony and Industrial Development issued instructions for the implementation of a pilot plan for the primary utilization of cobalt.

That plan, assigned to the director of the National Mining Development Commission, Francisco Aparicio Varela, will be launched this year and includes the separation of cobalt from copper through the lixiviation process; in other words, through soluble substances and detergents applied in the Santa Rosalia plant for further processing in Mexico City.

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CSO: 3010

STATE COUNCIL SUPPORTS JUNTA'S FOREIGN POLICY, QUESTIONS U.S. CONGRESS ON AID

Junta's Foreign Policy Condoned

PA170325 Managua Radio Sandino in Spanish 1800 GMT 16 May 80

[Text] The State Council states its total support for the foreign policy of the Junta of the Government of National Reconstruction. It also asks the U.S. Congress for an explanation about the supposed conditioning of the \$75 million loan in order to take the steps the case calls for. The pronouncement of the State Council states:

The State Council of the Republic of Nicaragua; whereas,

A delegation of the mass organizations visited the ordinary session of the State Council held yesterday, 14 May 1980, to request:

1. A pronouncement of condemnation by the council of the interventionist attitude of the Congress of the United States of North America in our domestic affairs, expressed in the statements made by the speaker of the Congress of that nation and transmitted by the international news agencies, to the effect that the \$75 million loan which our reconstruction government requested from the U.S. Government will hinge on the replacement of the members of the Junta of the Government of National Reconstruction who resigned from their posts for elements who deserve the confidence of the U.S. Government.

2. The condemnation of U.S. maneuvers in the Caribbean Solid Shield 80.

Whereas, that in a debate on the first point of the proposal, this council arrived at the conclusion that since it has not had an official communication by the U.S. Congress in this regard, but merely with a report carried by the international news agencies and it was too hasty to make a pronouncement in this regard;

Whereas, that in a debate on the second point, the issue arose regarding the problem of the military presence of some countries in others, like for

example the presence of U.S. troops in Cuba, Guantanamo, Cuban troops in Africa, Soviet troops in Afghanistan, U.S. troops in Europe and Asia, and so forth;

Whereas, that the conducting of Nicaragua's foreign policy is the responsibility of the Government of National Reconstruction;

Whereas, that the Junta of the Government of National Reconstruction has already clearly pronounced itself regarding some of these situations at the proper time, form and place;

The State Council of the Republic of Nicaragua agrees:

1. To give its total and full support to the foreign policy conducted by the Junta of the Government of National Reconstruction,
2. To ask the U.S. Congress for an official explanation regarding the presumed conditioning of the \$75 million loan to take whatever steps are necessary.

For the State Council,

Commander of the Revolution Bayardo Arce Castano, president; Guerrilla Commander Hugo Torres Jimenez, secretary.

[Dated] Managua, 15 May 1980, Year of Literacy.

#### U.S. Congress' Explanation Requested

PA170326 Managua Radio Sandino in Spanish 1800 GMT 16 May 80

[Text] The State Council has addressed the U.S. Congress and asked for an official explanation because of the respect and responsibility that should preside over all actions of the magnitude of the one now being attributed to the U.S. Congress. Here is the complete document:

Gentlemen of the Congress of the United States of America

United States of America

Dear Gentlemen: The State Council of the Republic of Nicaragua, in its regular session of 14 May 1980, has analyzed with concern the reports transmitted by various international news agencies, UPI, EFE, AP and so forth and which attributes to Thomas O'Neill, speaker of the House of Representatives of the United States, statements to the effect that the Congress of his country has decided to openly pressure Nicaragua to alter the present composition of our Junta of the Government of National Reconstruction as a condition for any financial aid.

Our State Council considers an explanation is necessary and important for the future of relations between our countries in connection with the veracity of the reports to which we have referred. An official explanation is, at this moment, demanded by reason of the respect and responsibility that should guide all actions of the magnitude of the one at this moment attributed to the Congress of the United States.

The State Council of the Republic of Nicaragua awaits a formal and official communication from the U.S. Congress, which will permit us to make the necessary decision, always based on our decision of making prevail the unalienable right to the people represented in this council of exercising their political independence, vigorously rejecting any pressure or interference in the affairs of the sole business of the sovereign will of the Nicaraguans.

Yours truly,

Commander of the Revolution Bayardo Arce Castano, president.

CSO: 3010

REPORTER NOTES WHY LEADERS AGAINST EXPANDING JUNTA

PA152251 San Jose LA NACION in Spanish 12 May 80 p 4-A

[Article by Julio Sunol, head of LA NACION's editorial section, on his visit to Nicaragua and interviews with Nicaraguan leaders Tomas Borge, Junta members Alfonso Robelo and Violeta Chamorro, among others]

[Excerpts] To Advance Like Costa Rica

As we have reported, [Commander Tomas] Borge insists that there will be elections--first municipal and then national elections--and that he is asking for advice from the Supreme Electoral Tribunal in Costa Rica.

--"I think some progress has already been made in regard to that request," he said. We asked for his opinion about the way in which the elections can have an effect on the revolutionary process.

--One can advance under the elections and with democracy, as Costa Rica has done, he said.

We questioned him about differences or rallying points between the Sandinists and the communists and he quickly answered?

Communism and Sandinism are different. Naturally, some bone-heads want to do what is not objectively possible. We, on the contrary, want to ensure our alliance with the managerial sector until the end. Our error when we entered into the pact with Robelo was that we thought he represented that sector, but it was not so. What is required now, he notes, is to achieve an alliance of classes. Those sectors are represented in the State Council.

When we asked him about a possible connection between the resignation of Violeta Chamorro and Robelo (on 19 and 22 April) from the Junta of the Government of National Reconstruction, he said there was no such connection. He said:

--Alfonso Robelo tried to take advantage of Violeta's resignation to create a "minicrisis," but it was proved that he represented nothing.



## Not To Expand the Junta

We asked if he thinks the government junta should be expanded in view of rumors circulating to the effect that two of the following persons could be asked to join it: Arturo Cruz and Luis Carrion Montoya, former leading executives of the National Banking System; Enrique Dreyfus, president of the Higher Council of Private Enterprise; Ismael Reyes, another leading businessman who earned merits as Red Cross president during the insurrectional stage and Jorge Salazar, coffee and cattle grower who is a brother-in-law of Alfonso Robelo.

Borge was categorical, however. I am personally inclined not to increase the number of junta members. This would have to be analyzed by all of the leaders because the problem is that we might include another Robelo in it and we must not risk another crisis or "minicrisis" like the previous one, he said.

Later on, on Wednesday, 7 May, during an informal luncheon at the government house to which we were invited by the junta, we realized that Sergio Ramirez, Moises Hassan and Daniel Ortega are not in favor of an expansion of the executive body either. Thus, one can say, in light of what was said during the interviews and if the point of view holds, that the junta will be composed of three Sandinist leaders probably because--as one of the junta members asked--"At a time when a more coherent and strong leadership is desired, would it not be an error to introduce in it representatives who would hinder a joint and united action aimed at achieving the goals required by the new stage of work and legal framework in Nicaragua?"

## Carter's Good Intention

Always referring to international affairs, Sergio Ramirez, the intellectual in the junta, said during another meeting that he recognized that James Carter, the U.S. President, has good intentions toward Nicaragua but that he [Carter] and the U.S. Government are under pressure from certain interests.

## Guarantees of Freedom

Borge, who is perhaps the most influential and decisive leader in Nicaragua today, expressed these other opinions:

--We want a private enterprise that is controlled and supports profit-sharing.

--This revolution is original, Nicaraguan, and has nothing to copy; we are against those who wish to bring their models here.

CSO: 3010

ROBELO ON U.S. LOAN; COUNCIL REFUSES TO CONDEMN USSR

PA161315 Panama City ACAN in Spanish 2253 GMT 15 May 80

[Text] Managua, 15 May (ACAN-EFE)--Alfonso Robelo, former member of the Nicaraguan governing junta, joined today government officials and mass organizations which have "condemned" the U.S. Congressional attitude regarding the \$75 million loan requested by Nicaragua.

This loan, part of which is destined to reactivate the private sector, was approved by the U.S. Congress, but was later frozen, claiming that the Carter administration had overdrawn its foreign aid funds and that the loan must wait for the authorization of new funds.

However, Washington press dispatches reported yesterday that the loan had been blocked again by Tip O'Neill, speaker of the House of Representatives. He is an influential member of Congress who has allegedly forced the suspension of the loan until the two "moderate" members, who resigned last month, have been replaced.

The Nicaraguan reaction to this proposal was not long in coming.

Robelo condemned this attitude because he considers it, "an unacceptable intervention in our affairs. It is not they who must decide if we shall replace the two members of the government junta now or later."

However the leader of the Nicaraguan Democratic Movement said that the junta must abide by paragraph 11 of the fundamental statutes which say that the government junta must be composed of five persons representing all the revolutionary groups and that "this condition does not exist at this time," he said.

Robelo said that within the leadership of the revolutionary government, Violeta Chamorro, who resigned for reasons of health, represented "martyr" Pedro Chamorro, and to a certain extent the press, while he represented the private sector.

The three members of the existing government junta are all members of the Sandinist National Liberation Front [FSLN] since Sergio Ramirez and Moises

Hassan belonged to the political group of "the Twelve" and "United Peoples Movement" which was absorbed by the FSLN, he said.

Meanwhile Commander Daniel Ortega, member of the National Sandinist Directorate and of the government junta, said that this conditioning by the U.S. Congress of the loan "can compare only with the Knox interventionist note which we have not received, but which we will tear up if it arrives, because we will consider it as an attack on our sovereignty and independence."

The State Council held a lengthy meeting yesterday which went on into the night and passed a motion to send a note to the U.S. Congress asking for information on the capitol's official attitude regarding the aforementioned loan.

During the same session, Jaime Montealegre, representative of the private sector in the State Council asked that such interventionist maneuvers as the suspended "Solid Shield" operations in the Caribbean be condemned. However, he also demanded that the Soviet intervention in Afghanistan and the Cuban intervention in Angola be condemned. This last motion was rejected by the State Council.

Meanwhile peoples organizations supporting the Sandinist revolution, have asked their members to participate in a general mobilization and express their rejection of this new "U.S. imperialist aggression."

FSIN Commander Omar Cabezas said before the State Council that the government junta, acting within a framework of ideological pluralism and national unity, had already decreed that two members should be appointed to replace those who had resigned.

"However, this must never be understood as an acceptance of a U.S. imposition," he said.

CSO: 3010

## NICARAGUA

### FRANCISCO CARDENAL SEES NICARAGUA FALLING INTO SOVIET SPHERE

PA252136 Guatemala City EL IMPARCIAL in Spanish 16 May 80 pp 1, 7

[Text] Jose Francisco Cardenal, former president [as published] of the Nicaraguan State Council who resigned and practically went into exile, has confirmed in Washington--before a group of U.S. congressmen and reporters--the charges concerning the Nicaraguan junta's identification with Soviet policy and the intense indoctrination process undertaken by Castro's Cuba particularly among the children and youth. Despite reports by other sources, Cardenal's report on the violent way in which the Cubans are conducting that campaign hit home.

"Thousands of Cuban teachers," he charged, "have been sent to Nicaragua to conduct an indoctrination campaign" and--something that is scandalous--hundreds of youths "have been imprisoned for opposing the government and hundreds of others are missing." For those who wear their sheepskin concerning human rights--and we have seen this in the Cuban ambassador during the UN General Assembly--Cuban, Argentine, Chilean and Bolivian "torture experts who cannot live in their own countries are in Nicaragua helping Sandinists repress the opposition," the former Nicaraguan official added.

He said Sandinism is "irreversibly marching toward a rigid and abusive Marxist-Leninist system. Disenchanted, he concluded by saying that "in 9 months the Sandinists have done more harm to Nicaragua than the Somozas did in 30 years." Regarding the trend which under the guise of "nonalignment" is aligning Nicaragua with Soviet expansionism in the Western hemisphere, where the influence of Cuba and the Soviet Union is growing, he added that some production sectors are cooperating "in the consolidation of an aboutface in the legitimate Nicaraguan revolution. Some sectors are idealistically thinking that they are gaining time in the hope that unforeseeable incidents will stop the debacle."

Meanwhile, the government is taking control of the means of production, and expropriating land and factories for the sake of its political objectives.

Other sectors are also involved in this reversal "with fraudulent and criminal ideas about getting rich in the process." At the same time, the

GDR's foreign policy correspondent's office hails Nicaragua's solidarity with the Soviet world because the GDR and Nicaragua "reiterated their fraternal support for the Republic of Cuba and they emphatically condemned the maneuvers undertaken by the imperialists and reactionary forces which are provoking the deterioration of the international situation following the events in Afghanistan" on the occasion of the official visit paid by a delegation including Moises Hassan, Tomas Borge and Humberto Ortega. The delegation held conversations and negotiations which will further bilateral relations and unity in the struggle against aggression and imperialist interference."

This is how nations are betrayed, or at least deceived. That is the view of the bulletin of the Inter-American Association for Democracy and Freedom concerning the resignations of individuals who contributed to the revolutionary movement and who might provide an effective cooperation such as Antonio Jose Cruz, president of the Central [bank] of Nicaragua, and adviser Alfonso Robelo. [sentence as published] Hemisferica [not further identified] also cites violations of press freedom and the threat posed by "a journalists union and other monolithic organization, which may be able to stop the circulation of publications in a nation that seemed destined to give more freedom to the people."

Nicaragua might look to Jamaica under the aegis of Michael Manley and the Marxist-Leninist group--an elite group calling itself the National Executive Council. The result is that there is a lack of food and almost all other basic goods. The police have to keep order in front of stores and supermarkets which close because they have no merchandise. There is no oil, flour, cheese, rice and other items. Those who leave the country can take out only \$50. The government seized the most popular radio station and journalist Hector Mynter was attacked and beaten. A JBC radio reporter was also tried. Moreover, the rationing of printing paper is used to obstruct the press. There is no talk of elections.

This is what lies ahead for Central America if the Soviet Union is allowed to consolidate itself in Nicaragua and to go ahead with its imperialist expansionism through Cuba with Central American and South American quinslings [as published] who one day took the route to violence and so can survive only through internationally supported subversion. Both the guerrillas and political ambition are activated by remote control and we must keep our guard up. It is a shame that, as always, we Central Americans are divided rather than fraternally united in an attempt to solve our problems. However, the current adverse circumstances will change and we must be ready to expedite a reunion and to resume the work of the integration plan because there is no other alternative in the foreseeable future.



EDEN PASTORA COMMENTS ON U.S., COMMUNISM

PA161918 Managua Radio Sandino in Spanish 0200 GMT 16 May 80

[Deputy Interior Minister Eden Pastora Gomez answers listeners' questions submitted by telephone on "Linea Directa" program--live]

[Excerpts] [Question by Air Force Pilot Francisco (Villalba)] Good evening companero. I would like Commander Eden Pastora to give his opinion on the supposed pressure which the U.S. Congress is exerting for the government junta to be reconstituted to five members (words indistinct) two moderate members and that one way to obtain approval of the \$75 million loan is to fill the two vacant seats of the Junta of the Government of National Reconstruction.

[Answer] Companero Francisco (Villalba). What I can tell you on that subject is that reactionary sectors in the United States still do not realize that we are experiencing a revolution under the leadership of honest men who do not accept conditions or pressure of any sort. If we accepted two members from private enterprise (on the junta) it would not be due to any pressure or condition. It would be due to a historic and political situation which existed at the moment. We will not accept one penny with any conditions attached. Even if it takes more sacrifice to carry out our revolution, we have made it clear to the world, to our Nicaraguan brothers and our allies among the Latin American governments and peoples that we are going to make a revolution here and we are doing it. We will not accept conditions or pressure of any kind.

[Question by Socorron Castellon de (Sobalbano)] Companero Pastora. Why have you not been asked to form part of the government junta since you have so much support among the people? We would be very pleased if you were part of it.

[Answer] Well, Companera Socorro, I thank you for your desire. However, I am part of the Nicaraguan Government and I am participating in the important role of the Popular Sandinist Militias, which are strategic for the defense of our revolution at this time. The Popular Sandinist Army, the Sandinist Police, the State Security Corps and the Popular Sandinist Militias

together constitute the great army of the poor, the great army of the peasants and workers of Nicaragua. This is vital for the defense of our revolution.

The positions on the junta are occupied by three Sandinista and there is no more room for other Sandinist compañeros who have the same capacity and merits. Therefore, it is impossible to place on the government junta everyone whom we would like to have represent us on the government junta.

[Question] My name is Luis Melendez. My question for Eden Pastora, who has much support among the youth because he is a defender of democracy is, what would your attitude be if Nicaragua were threatened by communism?

[Answer] If Nicaragua were threatened by communism? Look, compañero, I worry about facts, real things. Algerians may worry about France, the people of the Belgian Congo may worry about Belgian imperialism, India may worry about Great Britain. We worry about those who have invaded us one, two, three or four times, that is, U.S. imperialism. We worry about objective and real facts, what history has taught us. The last invasion of U.S. imperialism in Nicaragua lasted 50 years.

The North Americans came to Nicaragua on one occasion, on one of many opportunities and they even took over our customs offices. They collected the customs fees and even kept them. These are the things which worry us. This last occupation of foreign troops lasted 50 years, as I said, until recently, that is, until 19 July [1979], when the Sandinista threw out the last marine from our land. These are things which worry us. We are worried about the social problems of our people, the hunger which our people suffer, the lack of health care, ignorance, illiteracy.

I do not fear communism because I have heard so much about communism and anticommunism that I see it as a witchhunt and this waters down communism. I have been hearing this since 1950 or 1949 and to tell the truth, I have no knowledge of any Soviet citizen or of a Russian coming here to kill a Nicaraguan peasant. However, I know that North Americans have come to kill many Nicaraguan peasants and to rape many Nicaraguan women.

Therefore, one should not fear communism at this stage. Communism is a philosophy. Do you know what communism is? How many Marxist-Leninist books have you read? Marxism-Leninism, communism, is a philosophy on which you would have to read many complete libraries, libraries in the plural, in order to interpret what communism is. What happens is that there are Nicaraguans who read the ABC's of communism and then consider themselves experts on communism. There are Nicaraguans who, without knowing what communism is, fear it. I fear what I know. I know of the U.S. imperialist invasion and I fear it. My advice to you is that you should fear it also.

[Announcer interrupts] We could add to what the commander is saying, that we should fear persons such as (Echandi), for example, who was the one who

established and trained the [word indistinct] which killed so many people here. What do you say commander?

[Pastora] (Echandi), the American who trained and turned Nicaraguans into beasts and taught them to kill. We should fear the ultraconservative sector of the U.S. Congress, the former friends of Somoza; not former, they are still friends of Somoza and they are still friends of the classes which exploit our people.

Now, if you fear us because we identify ourselves and because we are anti-imperialists, then you will continue to fear us because we will continue to be anti-imperialists, because the wounds left here by U.S. imperialism are still bleeding; the bodies of the 50,000 Nicaraguan dead are still rotting under our soil and those dead were killed with U.S. weapons, by soldiers trained by the North Americans.

You would not dare tell me that Russians came here to train Nicaraguans and that they came to kill Nicaraguans and to train Nicaraguans to kill each other. Let us fear what history has taught us to fear.

[Question] [Words indistinct] the question for Commander Eden Pastora is that now, with the first anniversary of the victory of the Sandinist revolution approaching on 19 July 1980, what are you planning to do with companeros from the Benjamin Zeledon Front, some of whom are still without jobs and walking the streets. I also want to know whether you know that there are gringo military bases in El Salvador and that according to rumors (what are their intentions)...[telephone call cut off]

[Answer] Well, look concerning the companeros of the southern front who still have no jobs, this problem is not unique with the southern front. The same is the case with the northern front, the internal front, with all the guerrilla fronts. All of them have companeros with no jobs and are experiencing difficulties. I know about this situation better than anyone. When the Benjamin Zeledon Front entered Managua there were approximately 2,000 companeros with us. After spending an extended period of time away from their relatives, many returned home. Others with more discipline and more conscientiousness, remained during those difficult moments from the 19th to the 30th of July, and even into August when we had no food and there was no money. The movies, bars, restaurants tempted some of us more than the situation of the war and companeros who did not have [words indistinct] and did not heed their appeal and went home. The army filled its ranks with the companeros who held out under this situation and they joined the army. Therefore, those who went home were left out. When they returned 2, 3 or 4 months later and there still are some who want to return to the army, but the ranks of the army are now complete. We also found that 54 percent of the factories were destroyed by the war and that there is a lack of jobs. This is one of the difficult social problems to solve and the reconstruction government is working on it but it is difficult to find solutions.

These are the logical consequences of a war. We have explained this to the companeros but it is a hard job to find work for them because the government jobs are also all filled. Therefore, you can understand, the companeros of the southern front, of the Carlos Aguero northern front, of the Carlos (Guebbe) internal front, of the Jacinto Hernandez southern front and all the companeros who fought, that this is one of the most serious problems which we have to solve.

Concerning El Salvador, I have to say that the question is difficult to answer because I, as an official of the government, do not want to meddle in the affairs of another state. We are mature, conscientious, responsible persons and do not want to cause problems for the government of national reconstruction. From a position in the government, things are managed differently and I am sure you will understand this.

CSO: 3010

FESGA REPORTS ITS 'REGULATIONS'

PA161417 Official Voice of FESGA [Clandestine] in Spanish to Nicaragua  
0114 GMT 15 May 80

[Regulations of the Special Anticommunist Guerrilla Forces--numbering  
sequence as heard]

[Text] Special Anticommunist Guerrilla Forces [FESGA]:

Sacrifice, Fatherland and Hope

[Words indistinct] 1. Introduction

A. The FESGA was set up to wipe out communism which is oppressing the Nicaraguan people because due to the lack of coherence and words indistinct among Nicaraguans who through lack of a (?leader and honesty) were not achieving success in Nicaragua's libertarian cause. The FESGA have set themselves the goal of uprooting the accursed communist system which is oppressing, bleeding and decimating our beloved Nicaragua. The FESGA do not and will not have any Somozist or communist leanings. We are not sympathetic with those who, through their own stubbornness, are guilty for what our beloved Nicaragua is suffering today or with the vilest turncoats who have turned Nicaragua over into the hands of the criminals of the world, communism, for the benefit of those who are mismanaging it today. Therefore the FESGA gather Nicaraguans who love [words indistinct] democratic, libertarian pronouncements and real social justice and peace in our homeland, Nicaragua.

Chapter 2: Goal

A. The object of these regulations is to guide all those who now belong or will belong to the FESGA, and

B. To dictate norms, rules of conduct and the operative system of the FESGA which all members must be aware of to function properly,

C. The object of the regulations is also, as the organization's motto says, sacrifice: Every FESGA member must be aware that he must, if necessary,



lay down his life without expecting anything in return to see Nicaragua free from communism.

### Homeland

The homeland is the most cherished treasure of every human being and it asks its children to give their blood or lives in exchange for their freedom and to be loyal.

### Loyalty

Every man is born free with rights and duties and within this philosophical framework loyalty to the nation and to a specific organization shines forth and this highly moral ideal uplifts human beings who are shrouded in [words indistinct] zeal which guides them along the course to victory.

### Chapter 3: Generalities

A. The FESGA has a military adviser who, through his competence, rank and military and organizational savvy, is the top leader who gives all the orders down through the organizational structure, orders which cannot be questioned but must be immediately obeyed for the proper operation of the organization.

B. The FESGA includes among its members people who really want to see Nicaragua free without having belonged to a military organization. It is enough for them not to have committed any crime or have to respond for any crime.

C. It is thought to be high treason for any individual to try to cause division and set up organizations or civilian committees. The only ones that can exist are those created by the FESGA. Let it be made very clear that there is only one objective--to liberate Nicaragua from the claws of communism.

D. It is thought to be high treason for people to bring men to Nicaragua who [words indistinct] FESGA will condemn and oppose this.

E. FESGA has a political vanguard of individuals chosen inside Nicaragua and in exile. They are designing ideological training plans for Nicaraguan exiles and those who are oppressed by the communist system in Nicaragua.

F. The Central Political Committee of FESGA coordinates action directly with the Central Military Committee of FESGA.

G. No contributions are accepted in cash, checks, bills or coins. Contributions are accepted only in war materiel, clothing, shoes, groceries, drugs, medical equipment, transportation equipment and so forth.

H. The commanders of the Central Military Committee and platoon commanders are chosen according to their competence, loyalty and discipline.

I. The subcommittee for propaganda and political orientation cannot disclose anything in the press or over the radio without the approval of the Central Military Committee of FESGA.

#### Chapter 4: Organization, Rights and Duties

##### 1. Of the military adviser

A. The FESGA is headed by a military adviser who gives the orders. These orders cannot be changed except by written notice from the adviser himself.

B. From the beginning the FESGA has been dependent on the military adviser for training purposes and modalities of operation in combat zones. He will leave his command position as adviser when the FESGA has achieved complete control [words indistinct].

C. The duty of the military adviser covers the [word indistinct] security, the welfare, conduct and discipline and the objective of the [words indistinct] along with the Central Military Committee.

##### 2. Of the Central Military Committee

A. Following the overthrow of the Sandino communists in Nicaragua the Central Military Committee of the FESGA will meet to discuss, choose and formulate defense plans [words indistinct] the Central Political Committee of the FESGA jointly analyze the economic situation in the country, the formation of an apolitical regular army to watch over sovereignty, the rights and peace of Nicaraguans [words indistinct] to jointly convene the people to democratic elections to choose a government that serves the aspirations (?of Nicaraguans).

B. [Words indistinct] of the FESGA supports the commanders [words indistinct] competence, loyalty, knowhow, discipline, performance in camp, [words indistinct].

C. The Central Military Committee of the FESGA will appoint [words indistinct] to be the official spokesman [words indistinct] of the objectives of our present struggle. This worker must be approved by the military adviser.

D. The Central Military Committee of the FESGA is composed by the commander of groups set up since the FESGA was founded.

##### 3. Of the group commanders

A. There are no ranks, merely group or platoon commanders and they have been chosen, as future commanders will be chosen, according to merit, discipline, competence and desire to improve.

B. It is the duty of the group commanders to enforce discipline in each member of the platoon.

C. It is the duty of the group commanders to abide by and enforce all orders given by the military adviser and the Central Military Committee of FESGA, and

D. To inform the military adviser verbally or in writing of the anomalies, progress and achievements of each member of his group both in camp and in the combat zone.

E. It is strictly prohibited to give orders to FESGA members if they run counter to the morals and physical integrity of any of them.

#### 4. Of the assistant commanders

A. It is the duty of each assistant commander of a group to abide by and enforce all orders given by the group commander.

B. It is the duty of the assistant commander to report verbally or in writing all the news to the group commander.

C. The assistant commander will be in command of the group in case the group commander is absent or for any other reason.

D. As it is the duty of the group commander, it is also the duty of the assistant commander to [words indistinct] each and every platoon member [words indistinct] on the contrary the dead and wounded must be carried to the nearest camp.

#### 5. Of the commander of the day

A. The commander of the day is a rotational position among all group commanders. He will be on duty when the [words indistinct] platoon are working [words indistinct]. In case of illness or for some other cause, he will be replaced by his next in line.

B. The commander of the day is the official person to receive [words indistinct] all special orders (?to the) commanders and assistant commanders.

C. He will deliver the [words indistinct] to the military adviser after every meal [words indistinct] or during formation.

D. It is the duty and obligation of the commander of the day to remain in the training field and [words indistinct] all news of the camp.

#### 6. Of the doctor

A. It is the duty of the doctor to check over the food, water and so forth as often as possible.

B. To conduct a physical examination of every FESGA member for any venereal or other contagious disease that might endanger the health of all FESGA members,

C. To provide and teach first aid practices and basic hygienic norms to all FESGA members, and

D. [Words indistinct] for any FESGA member if necessary.

## 7. Of the sentinels

A. It is the duty of every sentinel to keep abreast of the regulations and the general guidelines contained therein, and

B. To hear and obey the special orders of the day.

## 8. Of each and every FESGA combatant

A. If for any reason or circumstance in the countries where the FESGA forces are being trained any member is captured by the local army, he should not provide any kind of information that might compromise the security of the other FESGA members. He should just state his rank and serial number and say that he is working on his own initiative.

B. If any FESGA member for any physical or mental reason or because of any other problem should not be able to be with the group, he will join the internal surveillance groups in the camps.

C. Every FESGA member must wear his uniform and insignia with his regulation weapon out in the open and remain with his group commander so that if he is captured in combat the Geneva Convention will apply to him as a prisoner of war--the communists do not uphold it.

D. To be in command one must learn to obey--it is absolutely forbidden to question or not abide by an order because victory is always achieved through the loyal compliance with orders.

## 9. Security and intelligence

A. The G-2 and its corresponding F-2 are under the orders of the military adviser and the Central Military Committee.

B. It is the duty of the G-2 along with the F-2 to collect all possible information related to the enemy that may lead to a prompt victory by FESGA over Sandino communism and any information that may provide security to our libertarian movement.

C. To provide evidence and bring it to the attention of the Central Military Committee of the FESGA so it can discipline any of the FESGA members.

D. It is the duty of the G-2 to provide protection to the members of the Central Political Committee of the FESGA.

#### 10. Supplies

A. The G-4 together with its assistants, under the orders of the military adviser and the Central Military Committee, handles the supply operations.

B. It keeps strict control over and takes an inventory of the contributions made.

#### Chapter 5: Discipline, Laws, Rules of Conduct and Punishments

Discipline is the result of instruction, training and drilling.

B. Military discipline in war time, the strict observance of a mission, calls for precise coordination among the elements in charge of carrying it out. Therefore, it is necessary to understand and fully comply with the orders of a superior. If there is no discipline a platoon or a group of people will never be able to carry out an orderly mission or action. Therefore, discipline is essential on the training field and in the field of action. Obedience to a superior should not be regarded as a humiliation but as a joint effort for the good of the group and the unit and for the success of our struggle against communism.

##### 1. Laws and rules of conduct

1.A. It is obligatory for every FESGA member to carry these regulations with him. He must study them well to know his duties, obligations and rights because one cannot claim ignorance of the rules if they exist.

1.B. Each FESGA member must know that carrying these four items during battle--uniform, (identifying) insignia, regulation weapon out in the open and a [words indistinct] commander--if he is taken prisoner he must ask to be treated as a prisoner of war in keeping with the Geneva Convention--the communists do not uphold it.

1.C. Respect between the commander and his troops must be mutual.

1.D. No FESGA member can leave the training camp without the proper permission of his group commander. If he is caught, he will be shot immediately for high treason for reporting on the operations or the location of the base and so on. No exception shall be made to this rule.

1.E. Every instructor shall be respected and obeyed as he gives instructions or [words indistinct] training exercises.

1.F. The orders given by the military adviser and the group commanders cannot be questioned and no one should refuse to comply with them [words indistinct].



1.G. The orders given [words indistinct] cannot be questioned unless the order will result in the loss of necessary lives. Only the military adviser can countermand the order.

1.H. The FESGA member who changes an order given by the military adviser or the members of the Central Military Committee will receive the maximum penalty.

1.I. No one should be harassed, outraged, threatened with death or offended with dirty words.

1.J. No fighting or violent discussions will be allowed between FESGA members.

1.K. No FESGA member will stop doing his duties and his training unless it is for a justified cause.

1.L. Punishment for the violation of these laws and rules of conduct will be applied according to the degree of the fault, as judged by the military adviser and the Central Military Committee of the FESGA.

## 2. Faults and violations

2.A. The breach of the laws and rules of conduct established in these regulations is regarded as a fault and there are three kinds of faults: Serious, medium and light. They will be punished accordingly.

2.B. It is a serious fault to steal, rob, leave camp, conspire against the organization [words indistinct], drink alcoholic beverages, be disrespectful to a superior, provide information to outsiders on the FESGA movements, [words indistinct] war materiel to strangers, [words indistinct], keep secret information that might [words indistinct] just to cover enemies of the cause or out of family ties or consanguinity relationships.

2.C. The following are regarded as medium faults: To carry out an order belatedly, show up late for formation, hide so as not to participate in training, not to go through the proper channels to talk to a superior, destroy FESGA property, try to fool a superior, immoral actions and so forth.

2.D. Light faults are laughing during formation, not saluting a superior, not taking care of one's personal hygiene, not taking care of one's military equipment, breaking formation without being allowed to and talking during formation.

2.E. The faults not set forth in these regulations will be punished according to the G-2 and the commanders and judged after thorough questioning.

### 3. Punishments

3.A. Punishment for violating Section 2.B.--serious faults-- will be punished with the maximum penalty.

3.B. Punishment for committing medium faults contained in Section 2.C. will depend on what a court-martial conducted by the military adviser, the group commanders and the G-2 decides.

3.C. Light faults spelled out in Section 2.D. and other faults considered to be light will be punished with [words indistinct], assignment to do special work or marching time, according to the judgment of the group commanders.

### Chapter 7: The Central Committee, Organization and Duties

A. A Central Political Committee of the FESGA is established, comprising Nicaraguans of the political vanguard of the FESGA, duly chosen as persons who are qualified, honest, capable and who love the Nicaraguan fatherland that was betrayed and turned over to international communism.

B. The FESGA Central Political Committee is made up of a certain number of Nicaraguans who are known only to the military adviser and the Central Military Committee of FESGA.

C. The FESGA Central Political Committee will draft ideological and civil government plans for release to the world press and radio. These plans are part of the most elementary legal, cultural, socioeconomic, health and democratic system that will be a model for Latin American nations.

D. These ideological and government plans prepared by the Central Political Committee of FESGA, before being released to the world, will be submitted to the FESGA Central Military Committee for joint study and subsequent approval by vote.

E. The FESGA Central Political Committee will receive the proper protection from the FESGA security organization.

F. The FESGA Central Political Committee will be in charge of obtaining aid in kind--namely, [words indistinct] drugs, weapons, ammunition, clothing, shoes, transportation equipment and so forth. It is FESGA's policy to reject cash donations such as bills, checks and so forth.

G. The FESGA Central Political Committee will form subcommittees for propaganda, orientation and collections.

H. The collections subcommittee should be established in all the most important cities in Nicaragua, as well as in foreign countries.

I. The names of the appropriate, honest people who compose the subcommittees of the Central Political Committee of the FESGA should be given to the military adviser and the Central Military Committee of the FESGA for the proper investigation.

J. It is high treason within FESGA for Nicaraguans or foreigners to try to cause division or set up committees without permission from the Central Military Committee or the Central Political Committee of the FESGA.

K. Right now Nicaragua needs its freedom-loving, loyal, honest children who are rife with democratic ideals. The Central Political Committee of the FESGA must make this known to the subcommittees. Otherwise [words indistinct] will be punished with the maximum penalty.

#### Sentinels' Orders

1. To take care of this post and all the property of the organization [words indistinct].

2. I have to report any breach of the orders that I am responsible for.

3. I will repeat all the calls of the most distant posts [words indistinct].

4. I won't talk to anybody while on duty except in cases of extreme need.

5. I will (?watch over my posts), until I am relieved and after whoever relieves me repeats the orders and calls exactly as they should be.

6. I am compelled to hear, obey and deliver all orders given by the commanders of the day.

7. I will call the sentinels' group if [words indistinct].

8. I will not let anybody do any harm at or near my post.

9. I will sound the alarm if there is a fire or a disturbance.

10. I will take special care in my night surveillance and I will question anyone who goes by or near my post. I will not let him go by without the appropriate permission.

CSO: 3010

WHEELOCK ANSWERS QUESTIONS ON NATIONAL AFFAIRS

PA231757 Managua Radio Sandino in Spanish 0200 GMT 23 May 80

["Direct Line" phone-in program, with guest Jaime Wheelock, minister of farming and livestock development, head of the Agrarian Reform Institute and member of the National Directorate of the Sandinist National Liberation Front--live]

[Excerpts] [Announcer] Before beginning the program, we would like to hear a few words from Commander Wheelock. We would like to hear his opinion about the most significant and negative event of the past few hours--the assassination of a member of the Peoples Literacy Army [EPA] in the Chinandega region.

[Wheelock] We, we have received the news and on one hand we are dismayed because our youths, with all heroism, have gone out into the countryside to fight heroically against one of the main problems inherited from Somozism--illiteracy--for hundreds of thousands of our brothers, particularly the peasant class. We expected Somozism to carry out sabotage of some kind to halt, to impede, this beautiful program of the revolution, and we have felt this crime against one of our EPA members to be a crime against our people and against the beautiful ideas that inspire the revolution.

We are merely not going to mourn our dead; we are going to act vigorously to turn on the enemies of the revolution, the enemies of the people and the enemies of our youths and give them blow for blow. Our revolution will be very harsh with any individual who attempts to repeat such infamous crimes against our people.

[Question] Commander Wheelock, what policy will be followed in agrarian reform in the future?

[Answer] That is a very broad question. We would prefer to answer specific questions. The agrarian reform program is designed for the benefit of the peasants, for the benefit of farm workers, who lived in frightful conditions, suffering misery because of low wages and very poor food, health, housing and services, like drinking water and so forth.

The basic issue is that we are here to return to the farm worker his right to till the land. Our basic message to all peasants is that the agrarian reform program, the Nicaraguan Agrarian Reform Institute (INRA), will work daringly to see that they have land. Therefore, to summarize, we could say that we will primarily work to achieve distribution of ownership. In this case, the first beneficiary is the landless peasant. We have a program to obtain for these peasants, through PROCAMPO [presumably a division of the Farming and Livestock Ministry], first of all the opportunity to obtain land from the national lands owned by the state throughout the country, primarily in the north, and second we are going to grant part of the lands which were confiscated from the Somozists to be used by our landless peasants.

In the third place we know that there are many peasants who have very little land and that their problem is not really that of ownership but rather the problem of financing, the lack of technical assistance, the lack of fertilizer, insecticides and lack of other benefits such as the possibility of taking their products to market because of the lack of roads and transportation.

Therefore, through PROCAMPO, we have organized a very broad package for technical assistance, financing and other services which at this time is already giving benefits to over 1,100 communities. Loans which have been granted by PROCAMPO and the National Development Bank total almost 250 million cordobas, a sum unprecedented in our country. Over 100,000 manzanas of land have been readied for corn, beans and other basic products.

On the other hand we know that there are many medium-sized properties, family-sized holdings, in our country. That property will be broadly protected by the agrarian reform program. It is not true, as opponents of the revolution have claimed, that INRA is going to take land away from the owner. On the contrary, we want everyone to have land, to have access to this asset, which is a collective asset of social interest. Therefore we are going to carry out programs with incentives for small and medium cattlemen and for any worker who desires to join in the programs of national reconstruction by means of agricultural activity.

Regarding the ownership of land used for growing export crops, as is the case of growers of cotton or other exports, we will protect, provide incentives for and help as much as possible to see that these producers have their individual property guaranteed. Second, we will have a program of loans and all other benefits that the revolution has provided to allow this producer to join in the programs of economic reactivation and national reconstruction.

[Question] How could you encourage the organization of the peasants' popular militias since you are one of the commanders who has the most contact with the peasants and [words indistinct] the reaction?



(Answer) Well, in order to complement what I said in the beginning, I wish to send a message to all our literacy workers and our brother peasants to say that the first duty of all our brother peasants and literacy workers is not to let this crime hurt the literacy campaign. We must continue with the campaign as a way to fight against Somocism, the saboteurs and criminals who are determined to halt our revolutionary program. Second, we are developing a vast program for the organization and training of the militia throughout the country. In this case it is up to our brother peasants--through the various organizations such as the Farmworkers Association (ATC) and others that the peasants have, the unions and so forth--to rapidly develop their contact with the *companeros* in different areas at the department level who are organizing the militia.

Moreover, we have at all times supported the organization of the revolutionary militias in the rural areas. Regarding this, INRA will cooperate with this by helping not only in the mobilization of our brother peasants but by cooperating with food, help to all those *companeros* who have had to leave their jobs for some time in order to join in the tasks of vigilance over the thousands of *companero* literacy workers who are using our farms as bases for the literacy campaign. Our aid is broad in this regard and we understand that all the state's resources--our vehicles, our food, our funds, and so forth--are at the disposition of the literacy campaign and its defense.

(Question) This is Francisco Lacayo Ordonez from Corinto. I would like to know the following: 1) To whom should one turn when the authorities of the municipalities are not applying Article 6063? 2) We know that we are under austerity, so why then, commander, are trips made to Zimbabwe and other African countries and diplomatic representations (?established there) when they constitute expenses for our country and since they are poor, just like we are, we cannot export to or import anything from them? This question is not made with any evil intention; on the contrary, I only want you to explain this. 3) Why hasn't the government established diplomatic relations with Yugoslavia and China? If we are nonaligned and free [passage indistinct] Cuba or Russia. These are my questions, commander.

I'll answer briefly. We have friendly and fraternal relations with Yugoslavia and China. It is Nationalist China I am referring to and not the PRC which is seemingly following a line of establishing diplomatic relations with other kinds of countries and governments such as that of Chile, with which it has excellent economic and political relations. Regarding the efforts that revolutionary and government leaders have made to make our country a friendly and internationalist country that has ties with everybody, we must say that this is a duty of the Nicaraguan people and the revolutionary government to develop broad trade, diplomatic, political and cultural relations with all the nations in the world.

(Question) I would like to ask you a question on behalf of all the small producers of Nicaragua organized under the ATC. We would like you to discuss

the main benefits that the small producers--who are willing to defend this revolution against all the aggressions by the turncoats [words indistinct] are receiving.

[Answer] In the first place one of the main benefits is the possibility for the peasants to get organized and defend their interests. We believe that one of the main achievements of the revolution is the broad organization of our people, the ATC, the Sandinist Workers Central, the women and youth organizations. We also feel that the peasants and the farm workers have for the first time a real possibility to use the land not like merchandise or an asset which was hard to get but as an asset they have access to according to their work. Moreover, we are working to increase productivity in farm production in the small and medium parcels through ample programs of loans, technical assistance and aid for marketing; the National Development Bank and all of the other banks of the financial system are offering broad financing opportunities at low interest rates and [words indistinct].

The Nicaraguan Basic Foods Enterprise and other state institutions such as the Construction Ministry have sought to give good prices to small producers and other assistance in the marketing, transportation and so forth. We feel that the peasants, the workers and our humble people are the main beneficiaries of the programs of the revolution.

[Question] This is Jose Espinoza Zapata of Monsignor Lescano suburb. I want to ask Commander Wheelock the following: What is COSEP [Higher Council of Private Enterprise], who makes it up and what are their goals? A suggestion: Remember the CIA is where you least expect it to be. Another question: Is it fair that four nobodies (?are trying) to tell the Sandinist National Liberation Front (FSLN) in this country what to do? A suggestion: Remember that 1 year ago nobody said anything to stop the killing of youths that the tyrant was killing. COSEP promoted the fall of the tyrant, but not too violently so he wouldn't get hurt. Weren't they accomplices of the tyrant?

[Answer] The FSLN seeks national unity in all the sectors which are working for the social progress, economic independence and reconstruction of Nicaragua. Within the various sectors in the country there are some like COSEP, which includes owners of land, industries and businesses. We have been holding talks with COSEP members over the past few days in order to find joint solutions to a number of problems they have presented to us. We have at all times maintained a unitary, flexible, pluralist and very receptive policy, but on the other hand we remain determined to keep our revolutionary process in a vigorous advance, without making any concessions that may be disadvantageous for our people. We feel that all honest, sincere and humble Nicaraguans can make any suggestions to the FSLN, which will be always willing to listen with a receptive and broad mind to their problems.

[Question] Why aren't the decrees published by the government junta respected by the Sandinist Peoples Army, such as the decree on the nonconfiscation published on 26 April? They were violating the law the next day.

My second question: If unity is being sought, how can it be achieved if workers who are helping to increase production are suffering confiscations? Don't you think somebody is interested in making the FSLN fall in the [word indistinct] mistakes that we had before?

[Answer] We are not responsible for some actions which occur in the rural areas regarding land invasions and expropriations by landless peasants. Anyway, this year has been a year with exceptionally few land conflicts, which had been occurring in Nicaragua over the past 20 years. There have been very few cases of this. We feel the agrarian reform is being carried out with order mainly because the FSLN has tried to implement it calmly and with great care. We have found great receptiveness because our brother peasants understand that the land problem requires many years for solution.

We are attentive to all the situations in the rural areas, and we are not aware that the army has any power to make expropriations and have received no complaints of this. Probably it may be a case of peasants who do not have land and are seeking a way to rent or occupy some land, now that the rainy season has started, in order to plant basic grains. However, I repeat, this has been an exception.

Just as we have been granting land to those who don't have it, we are also determined to protect the private property of all Nicaraguans who are working for national reconstruction and who want to work the land. The land is an asset of all Nicaraguans. It is not property that an individual can use as he pleases. It belongs to all Nicaraguans. It is a special national patrimony.

[Question] Who are turncoats, those who sell themselves to the gringos or those who [words indistinct]?

[Answer] We will answer as Sandino used to answer. [Passage indistinct] we have been invaded on various occasions by the U.S. Marines and even shortly before the victory of our revolution we were about to be invaded by the U.S. Armed Forces with the support of reactionary governments and military regimes that are still left in Latin America. The turncoat is the person who, without love for his country and the sovereignty of his nation and without any dignity or national pride, seeks to have other foreign governments come here to tell the Nicaraguan people and government what policies to follow.

Regarding this, I must tell you that luckily we have expelled the turncoats who existed in the country. There are still a few remaining who are trying to get organized, but they will clash with the popular and democratic forces in the country.

ORTEGA INTERVIEWED ON PANAMANIAN TELEVISION

PA221305 Panama City Televisora Nacional in Spanish 2315 GMT 21 May 80

[Report on interview with Commander Daniel Ortega Saavedra, member of the Junta of the Nicaraguan Government of National Reconstruction, at Tocumen airport in Panama conducted by television anchorman Mario Velasquez]

[Text] Commander Daniel Ortega Saavedra arrived today at the military sector of Tocumen International Airport. The Sandinist Air Force executive jet landed at 1530. The Sandinist National Liberation Front (FSLN) leader and member of the Junta of the Government of National Construction was received by Foreign Ministry protocol personnel, government Justice Minister Ricardo Rodriguez and Presidential Information Director Boris Moreno.

Immediately after his arrival Commander Ortega was taken to the Panamanian Air Force officers club, where he met the press. There at the club Commander Ortega gave an interview to Televisora Nacional.

[Begin recording] [Question] Commander Ortega, I want to ask you about one of the main concerns existing not only at the local but also at the hemispheric level regarding Marxist influence and the fear that the Sandinist revolution will turn into a totalitarian communist regime such as the one in Cuba. What can you tell us about this?

[Answer] We believe this concern is normal in view of a process of change and a revolution such as the one in Nicaragua. These concerns are often the product of a press campaign waged to damage the image of a revolution and to prevent revolutionary possibilities in other countries. It also serves to undermine the good faith of many people who are hoping this revolution will give the Nicaraguan people what the dictatorship denied it, and this type of campaign is to prevent this possibility.

We can say the Nicaraguan revolution is authentic, that it is enriched with the intelligence of man to develop and advance and that it does not deny the effort made by our people to interpret their own reality and find their own answers.



[Question] Commander, did the appointment of two new government junta members from conservative or traditional Nicaraguan sectors have anything to do with the fact that almost the same day or the next day, the U.S. Senate approved the \$75 million loan to Nicaragua?

[Answer] I think that when the FSLN National Directorate decided to include two more members in the government junta, it did so within our sovereignty and independence. I say this because we did not appoint persons whom some reactionary sectors wanted in the junta; we brought in persons who represent national unity and the economic interests of the private sector and who will strengthen this unity process.

Naturally when Nicaragua takes this step it disarms the U.S. reactionary sectors. We disarm the enemies of the Nicaraguan revolution who use this as an argument. Our decision strengthened the position of the U.S. Senate sector, who took advantage of the opportunity to approve the loan to Nicaragua.

[Question] What is the real state of relations between the Sandinist government and the Nicaraguan private sector?

[Answer] Yesterday we continued a meeting with the private sector representatives. The meeting yesterday lasted until 2300. It was a very positive meeting and served to reaffirm the private sector's readiness to participate with a critical spirit, logically, within the national construction process.

[Question] What can you tell us about charges made by Salvadoran and Guatemalan officials that a 3,000-man armed force is being trained to invade El Salvador?

[Answer] I would say these charges are whimsical and dangerous at the same time, because we are aware that Somozist sectors are active in Central America against the revolutionary process. Today, before we left, we learned that a literacy teacher was murdered in a region bordering Honduras. He was stabbed to death and castrated in a brutal attack by Somozists who are active in this region and entering our territory. Some days ago they murdered two members of our armed forces.

[Question] Commander, with regard to the literacy campaign, can you tell us what other countries have sent teachers to the literacy campaign?

[Answer] We have teachers from Costa Rica, Spain, Venezuela, the Dominican Republic and other countries. Some teachers have arrived in an official capacity, sent by their governments, and others on their own.

[Question] Commander, with regard to the economic plans already implemented by the Sandinist revolution, what can you tell us about the mechanisms to redistribute wealth within this revolutionary process?



[Answer] This is the great task and challenge of the Sandinist revolution. We must create an awareness in this sector that formerly accumulated wealth without control. It must learn that the time has come when it must limit its accumulation. Wealth will be distributed by the state among the people through projects. This will project the wealth according to social interests.

[Question] How do you feel 10 months after the revolution with regard to your achievements in rebuilding Nicaragua?

[Answer] We are very confident because we have seen in the Nicaraguan working people a great willingness to make sacrifices and even to limit their demands for salary increases in view of the circumstances imposed by our deteriorated economy and because of the responsible attitude of persons and industries in the private sector.

[Question] Commander, you know elections are used to measure a democratic government. What are the Sandinist government plans in this respect?

[Answer] We believe elections are a need that will be part of the peoples democracy in Nicaragua. There are sectors pressuring us to hold elections in Nicaragua now. We believe this is ridiculous, because it will only cause a waste of resources and will only serve to reaffirm Sandinist strength in our country. This is the reality in our country. We also believe that if we held elections now it would endanger the pluralist situation in our country. We have a State Council open to all political and economic forces. In the State Council we have rightist and extreme left political parties. We have the private sector with its representatives. The Sandinist process has a larger representation.

If we go to elections and the Sandinist Front wins an overwhelming victory, then we would eliminate pluralism because in Latin America we do not see a country with a pluralist representation as in the Nicaraguan State Council.

[Question] Commander, you have said something that is worth emphasizing: Are the members of the Nicaraguan private sector participating in the State Council's work?

[Answer] Of course. They are participating in the discussions of the appeals law [Ley de Amparo] about to be approved. They are members of committees with the other representatives. They express their points of view, many of which have been accepted, and the law is nearly ready with the total support of the whole State Council.

[Question] Commander, what brought you here to meet with President Royo and to return to Nicaragua tomorrow?

[Answer] We keep permanent contacts with the Panamanian authorities. We are identified with the Panamanian people. We are grateful for the manner

in which they supported our struggle and our national reconstruction process, and within this spirit we keep in permanent communication, and this is what brings us here, to maintain this political contact regarding the various problems dealing with Nicaragua, Panama and the area.

[Question] Commander, you are going to a dinner tonight given by the president and you will meet representatives of the private sector and Panamanian businessmen. Could you tell us briefly about your comments to this Panamanian business sector?

[Answer] No. What we do there is just share our experiences. The last time we met with Panamanian businessmen who knew businessmen in our country. We want to continue this in Panama. This is a great opportunity, and I have come accompanied by the minister of industry, of domestic commerce and the secretary of the Junta of the Government of National Reconstruction.

CSO: 3010

EX-JUNTA MEMBER SEES 'DEVIATION' OF NICARAGUAN REVOLUTION

LD160813 Madrid YA in Spanish 3 May 80 p 10

[Undated interview with Alfonso Robelo, former Nicaraguan junta member, in Managua by Jose V. Colchero: "We Will Not Accept Marxist Dictatorship Without a Struggle"]

[Text] Alfonso Robelo, who recently resigned from the Nicaraguan junta and who has resigned all his public duties, received me in his home, where we had the following conversation:

[Question] Has the Nicaraguan revolution reached the stage when it must decide between a Western democratic group and another radical communist group?

[Answer] I believe that the Nicaraguan revolution is at present experiencing its greatest crisis. Challenges are being made to deviations which would lead us to a totalitarian and Marxist-type dictatorship. This is what worries Nicaragua and the world, but I am optimistic and believe that it will be possible to reflect and to carry on.

[Question] When you joined the Sandinist Front to overthrow Somoza did you undertake to accept your political group's submission to the movement's revolutionary leadership?

[Answer] As a Nicaraguan democratic movement and political party, we are an organization with a very Nicaraguan style of social democratic ideology and very independent; together with other political, economic and even religious forces, we did indeed form a grand alliance which, within the framework of a government blueprint and with a government junta which also represented many of these forces, was able to undertake a thorough transformation in the economic, social and political fields. The Government of National Reconstruction was designed to effect a transition phase leading to democratic elections.

What is happening now is that essential parts of the government blueprint, such as the formation of the State Council, have been unilaterally altered.

And these deviations, which I had been condemning for some time from within the junta, are what forced me to resign.

[Question] It seems that replacements are being sought for Violeta Chamorro and yourself, as collaborators for the Sandinist Front, so that the junta can continue to appear pluralistic. Are you not afraid that this could reduce your political chances in the future?

[Answer] According to my latest information, they are indeed seeking two people so that the junta will again have five members. They have contacted two prestigious Nicaraguan independents who are setting demands and conditions which include a definite date for the elections. These people's attitude has filled me with optimism.

[Question] What is your attitude toward the future?

[Answer] In the political field we are struggling to achieve a similar situation to Costa Rica's within South America (it being a democracy where the various political currents are respected). We do not believe in state capitalism, but in socialism within freedom, which will enable the government, within a mixed economy, to control certain key sectors which will serve to administer the economy to the benefit of the vast majority of people.

[Question] What powers do you have with respect to the Sandinist Front's rifles.

[Answer] There is great popular backing for Nicaragua's advance to democracy. This is an indomitable people who will not accept a Marxist totalitarian dictatorship without a struggle. Furthermore, my party's democratic stance is supported by a number of capable Nicaraguan citizens, in whose hands the country's economic future lies.

[Question] Would it still be possible here, within the context of the revolutionary forces of the police, the media and so forth, to organize an election campaign with democratic freedoms? Could your party reach the furthest corners of the country and have access to the press, radio and television to make its program known?

[Answer] This is a difficult question to answer, but as long as circumstances remain the same we will begin a strong political campaign designed to exert pressure for elections to be held, though I acknowledge that we are in a very difficult situation with regard to the media, because a great number of doors have been closed to us. Both television channels are controlled by the Sandinists and the only newspaper in circulation at present--since the daily LA PRENSA has been unable to publish--is BARRICADA, which is also controlled by the Sandinists, as are the radio stations. Nevertheless, despite this situation, I believe that pressure can be exerted to reach an agreement which will make it possible to carry out a political campaign with sufficient impact.

[Question] How do you conceive a constituent process in Nicaragua?

[Answer] In view of our economy's critical situation and the opportunities for organization, one can envisage municipal elections in about a year's time, and in about 2 years' time the election of a constituent national assembly. And once the constitution has been approved a president of the republic can be elected.

[Question] But do you not believe that by 1982 the revolutionary process will have led to a road of no return which will render elections impossible?

[Answer] I sincerely believe that there is a possibility of opting for this [electoral] path, since it is the only one that remains open to us. The geopolitical situation will not permit here in Nicaragua such a rapid transition to a Marxist-type dictatorship as has happened elsewhere. Furthermore, the Sandinist Front is a very heterogeneous group and the Nicaraguan people have very democratic roots. I have reason to believe that people may now be having thoughts which could change the situation at any moment.

[Question] But people have told me here about the possibility of elections at some unspecified time in the future with "mixed slates," somewhat similar to the single-party slates in the European communist countries....

[Answer] We are aiming at elections by universal and secret suffrage with the free and pluralistic participation of whichever parties want to participate. This is why there was a major discrepancy in the concept of elections and this was one of the reasons why I realized that the revolutionary process was being deviated. When I raised the issue of elections within the junta I received the answer that formal elections of the kind held in democracies were perhaps not best suited to this country. Furthermore, I was told that it would be better to postpone them until everyone can read and write and have a real revolutionary awareness. I really mistrust such ideas because we all know the results of achieving a similar level of awareness, or brainwashing.

CSO: 3010



CABEZAS, ORTEGA COMMENT ON NEW APPEALS LAW

Cabezas' Comments

PA221828 Managua Radio Sandino in Spanish 0300 GMT 22 May 80

[Text] The third regular session of the State Council today approved the Law on Appeals [Ley de Amparo] with amendments. The bill had been submitted by the government junta a few days ago.

Omar Cabezas, guerrilla commander and council member, on behalf of the Sandinist National Liberation Front noted the political extent of this law:

[Begin Cabezas recording] There are people who say there is still no stability here, despite the fact that there is. I am talking about the private sector [words indistinct] stability in this country and for this reason it cannot participate in production fully. Businessmen claim they cannot invest because they believe that there is no stability. Therefore the Law on Appeals signs and seals the social, economic and political stability of this nation.

The Law on Appeals allows you to protect yourself against any official and even the government junta. Consequently, after this law is published nobody can say that they do not feel safe and no businessman can say that he cannot invest because he is afraid the government junta will do something to him. He cannot say this because he has the Law of Appeals.

The law has been issued to reaffirm and consolidate the stability which has been achieved since 19 July protecting all Nicaraguans. This will bring about good economic [word indistinct] for instance, cotton growers who are not planting now cannot come and tell us that they did not plant because there is no security and stability in this country. They still have 2 weeks to plant. If somebody doesn't plant cotton now it is simply because he doesn't want to participate in the process of national reconstruction and not because he feels insecure. Those who send capital abroad cannot say that they are doing so because of lack of stability because they can invest now.

This law protects not only the businessmen but the peasants, the armed forces, the church and everybody in the country. This law consolidates the stability and the security in the country, and the most important thing is that it was unanimously approved. What does this mean? It means that the State Council is bearing fruit because the Nicaraguan people are looking ahead with this type of legislation. We feel that this is an example which should be followed by many nations in Latin America. We are setting a very good precedent. This is one of the advantages of unity. This means that if we continue united, the process of national reconstruction will be a reality within a short term. [End recording]

#### Ortega's Comments

PA262224 Managua Radio Sandino in Spanish 1800 GMT 26 May 80

[Text] Junta member Commander Daniel Ortega announced at a news conference this morning that the appeals law that the State Council approved last week with a few amendments will be published within the next few days.

According to Ortega, the amendments to the law include those under which an appeal can also be lodged in connection with those government junta resolutions that are not legislative decisions. Any citizen can lodge an appeal against any junta resolution.

Another article making fiscal solvency a prerequisite for lodging an appeal has also been modified. This prerequisite will no longer be necessary, but it will be necessary to be physically present in the country. He also explained that when a lodged appeal does not obtain a favorable response in the Court of Appeals, the interested party may appeal to the Supreme Court.

Ortega Saavedra then stressed that the appeals law is not retroactive and will be effective only from the date of its publication. He added that trials concerning future confiscations would have to be turned over to an ordinary justice tribunal. Matters pending before the Justice Ministry will also be turned over to the common courts. Regarding this, the junta member added:

[Begin recording] It is worth pointing out that with this measure, with this decree--the appeals law--the revolution is disarming those who go around shrieking and affirming that private property in this country is endangered. We must say that private property in this country is not endangered. This appeals law legally guarantees private property in this country. And when we talk of private property we are saying that the revolution guarantees the private property of the thousands of Nicaraguan peasants who have small plots of land, who have a right to have them and who are obliged to make them produce.

The revolution guarantees the private property of small businessmen, of medium-sized businessmen and even of those big businessmen who are willing

to work in accordance with the laws that the revolution has imposed. We are even referring to those large landowners who are willing to respect the laws established by the revolution.

What does this mean? It means that the revolution guarantees private property for the Nicaraguan who is willing to make his private property produce, who is willing not to [words indistinct], not to play tricks, who will not decapitalize his company, who will not try to cheat, who will do (?the right things), who will pay his taxes--taxes that the government has established--who will respect labor contracts, who will respect workers and their rights and who will pay the proper salaries. He who respects all those conditions--as a small, medium-sized or a large landowner--has his property in this country guaranteed by the revolution.

This law will destroy all those campaigns launched by those who, in their efforts to politically attract [words indistinct], go around repeating the lie that we are attacking Nicaraguan private property. It also goes against those who, both here and abroad, have tried to discredit our revolution.

So we think this appeals law is very important because it formally confirms a decision made by the revolutionary government. [End recording]

CSO: 3010

NEWSMEN DEBATE PRESS FREEDOM ISSUES

PA041224 Managua Radio Sandino in Spanish 0300 GMT 4 Jun 80

[Text] Newsmen and members of the Higher Council of Private Enterprise [COSEP] exchanged opinions this afternoon at the Nicaraguan Development Institute [INDE] offices in Managua.

The newsmen had been called to hear a COSEP report on its talks with the government on freedom of expression. Sandinist newsmen from BARRICADA and Radio Sandino attended, but once they were in the room they were informed that there would be no news conference and were asked to leave.

The Sandinist compañeros saw other newsmen remaining, so they insisted on staying. Fabiola de Amantilla had stated that there would be a COSEP report on its talks with the government.

A few minutes later Reynaldo Hernandez, a high-ranking COSEP member, told the newsmen again that there would be no report. The whole thing seemed strange, but the Sandinist compañeros remained anyway when it was announced that there would be an exchange of impressions on freedom of the press.

This discussion developed on one hand with attacks on the Nicaraguan Newsmen's Union (UPN) and against the revolution and on the other with defense of the UPN and of the anti-imperialist peoples revolution.

Pedro Joaquin Chamorro of LA PRENSA and Oscar Leonardo Montalvan, dismissed from the UPN for his yellow press activities, led the attack, saying there is no freedom of the press in Nicaragua and no pluralism in the UPN. Montalvan, who said he was working as a newsmen in spite of having been forbidden by the UPN, also came out in favor of creation of another newsmen's association which would include those who do not share the ideas of the anti-imperialist revolution.

Compañero Lester Mendieta, a UPN member, reminded those present that in other countries, which cannot be described as totalitarian or communist, there is a single organization which regulates journalistic activities, such as in Costa Rica, Venezuela, Honduras, Peru and so forth.

To the charges made by Chamorro that the UPN is not a pluralist organization, Companero Mendieta reminded him that there are many newsmen in the organization who do not share the opinions of the revolution and who criticize it and attack it. However, they are allowed to work.

Newsman Noel Delgado, from a radio station identified with the private sector, emphatically said there is freedom of expression and that he had had many COSEP members on his newscasts and he has not been pressured in any way.

Companero Mendieta suggested that the COSEP officials allow the newsmen to say if there is or is not freedom of the press by a vote, after which a majority resolution would be adopted. This seemed to frighten the COSEP officials, especially Humberto Belli, who said that although this seemed democratic he did not approve of it because a minority would be affected.

Anyway, this afternoon's discussion was illustrative for the revolutionary newsmen of COSEP's attitude and some of its purposes.

CSO: 3010



## 'BARRICADA' CALLS ROBELO SOMOZA'S HEIR

PA170115 Managua BARRICADA in Spanish 11 May 80 p 3

[Editorial: "Somoza's Heir"]

[Text] Following the ridiculous position in which he found himself after withdrawing from the junta of the government without obtaining the support of any significant sector in the country, it was to be expected that Robelo would resort to more exotic and sensationalist actions to call attention to himself. And what could be better for this purpose than Somozist demagoguery? Yesterday in Matiguas, during a sports-like outdoors meeting and without thinking twice, Robelo "went farther" than Chiguin (nickname for Anastasio Somoza's son, former Col Anastasio Somoza Portocarrero) and picked up the anticommunist banner abandoned by Somoza when he scrambled to Paraguay. The genocidal Somoza now has a deserving heir in our country. An heir of "great stature" since Robelo surpassed Somoza himself when he stated with incredible lack of shame that he withdrew from the junta of the government "to clamor in the plains Sandino's shout of fatherland and liberty." This phrase is enough to demonstrate the type of demagoguery to which Robelo has come to resort and to summarize what was said yesterday in Matiguas.

Just as in the case of Somoza, Robelo's anticommunism is nothing else than a demagogic coverup for his rabid hatred for revolutionary Sandinism and the people now in power. Robelo would say that his is a "civilized hatred" but anyhow it is the rejection of the magnitude and deepness of the revolutionary victory that removed Somoza from power and closed the doors to opportunism. It is hatred towards the hundreds of thousands of workers and peasants who went to the Plaza de la Revolucion on 1 May to back our vanguard and the junta of the government and to express their unitary decision to constitute the single central of workers.

It is hatred toward the majorities that now have a determining presence in the State Council that makes Robelo call them "totalitarian." It is the madness that the sight of thousands of young brigade members, teachers and workers bringing literacy to the people--so that they will never again be manipulated by an exploiting minority--produces in Mr Robelo what makes him call the literacy crusade "communist."

To summarize, it is the entire revolutionary project and the decided support that it has received from all the sectors that compose the national unity, that is troubling Robelo enough to force him to leave the government and to forecast "a totalitarian future." Therefore there is no use in him hysterically waving the anticommunist banner because he has already demonstrated by his actions and his attitude what interests he defends.

Somoza could never fool the people with the anticommunism story because it was impossible for him to hide the antipopular and proimperialist interests he defended and regardless of all the demagogy he used to characterize the just aspirations of liberty and democracy of the people as "communist," he never was able to turn the people away from the road to their liberation.

Exactly the same thing is happening to Robelo. It is not possible for him to hide the interests he truly defends and he will not be able to detour the revolution with demagogy. Revolutionary conditions and the attitude of our people, who now have been strengthened by national unity, counteract him whenever he opens his mouth.

The only thing that really worries us is what will be the future of the Nicaraguan Democratic Movement (MDN). Is the entire organization obligated, perhaps, to take Somoza's banner and road as Robelo has done? This would be regrettable if it happens because we are sure that within the MDN there are honest and progressive sectors who have an important role to play in the national unity situation and their participation should not be blocked by the personal ambitions and the political frustration of Robelo.

CSO: 3010

RAMIREZ EXPLAINS REASONS FOR TREMINO'S ARREST, IMPRISONMENT

Ramirez' Comments

PA191551 Managua Radio Sandino in Spanish 1200 GMT 19 May 80

[Text] Dr Sergio Ramirez Mercado, member of the junta of the reconstruction government, has stated that the Nicaraguan revolutionary state is determined to be sovereign vis-a-vis the pressure being exerted by the most reactionary U.S. sectors. He spoke during a commemoration of the 85th anniversary of Sandino's birth. Ramirez rejected the intentions of those imperialist sectors which are trying to set conditions for Nicaragua and curb the revolutionary process with the bait of the \$75 million. The speaker hailed Sandino's lessons in dignity and he said we shall defeat any counterrevolutionary effort.

Regarding the media, Ramirez said counterrevolution has many spokesmen, citing especially the case of announcer Guillermo Tremino:

[Begin recording] Counterrevolution has many voices here. Until a short while ago, there was an announcer on Radio Mundial who had a newscast, actually more than a newscast, it was a slander program. When Somoza forced people to go to public rallies, this announcer served as moderator and told people: You are staying.

He later had his slander program. He would tell a lie every day. He would tell vulgarities and obscenities every day. He would say things every day which, to be honest, nauseated us. For instance, he said that, due to the internal dispute in LA PRENSA, Xavier Chamorro was responsible for the fact that his mother was dying and to say this sort of thing--to slander someone--is a crime here. He noticed how this man went farther and farther every day until 2 or 3 days ago he said [as heard] that a Somozist station was operating, a station which was airing counterrevolutionary propaganda, and he enthusiastically explained how to tune in the station, what frequency it was on and at what time. Then the revolution, the Sandinist revolutionary government, threw the book at this criminal and treated him for what he is by arraigning him before a common court where criminals go in Nicaragua. [applause] [End recording]

### **Tremino Sentenced**

**PA281944 Managua Sistema Sandinista Television Network in Spanish 0200 GMT  
28 May 80**

**[Text] Marta Lacayo, judge of the Third Criminal District Court of Managua, today sentenced radio announcer Guillermo Tremino to an 11-month prison term for having violated the law on the maintenance of order and public security.**

**The sentence against Tremino, who was director of the Hoy and Mundial newscasts over Radio Mundial, was read this afternoon in the presence of the defendant.**

**CSO: 3010**

PRIVATE ENTERPRISE CALLS FOR END TO 'CAMPAIGN HATRED'

PA010236 Panama City ACAN in Spanish 2358 GMT 31 May 80

[Text] Managua, 31 May (ACAN-EFE)--The Higher Council of Private Enterprise (COSEP) has called on the leaders of the government of the Nicaraguan revolution to "guide the people through the path of peace, work and order."

In a communique made public here today, COSEP analyzes what it believes to be "a campaign of hatred and violence that some government leaders have initiated against honest citizens."

COSEP insists that the Nicaraguan revolution was carried out by a unity of forces that were striving to expel injustice, and its sequel hatred, from Nicaragua forever.

COSEP adds that "this can happen only in a society where any differences, whether political, ideological, social or economic, can be discussed without fear or threats and in an environment adequate for civilized human beings.

"Hatred and violence campaigns go against the most elementary principles of the Nicaraguan revolution and expose the threat of being pushed back into a past that the people do not want to remember, and against which they fought."

The COSEP document adds: "We must increase the moral reserves of our people. We must all overcome the attitudes of the old regime by eradicating hatred and violence, wherever it comes from."

COSEP urges its organizations and the leaders of the government "to guide, whenever they make use of the media, all the Nicaraguans through the path of peace, work and order, to everything that contributes to the solution of problems and to the aggrandizement of the fatherland."

Recently, COSEP leaders have admitted that the climate of tension between confronting positions of labor organizations that support the government and business organizations has lessened to a great extent, as a result of the dialogue that COSEP is holding with the Sandinist leadership and the government junta in search of the necessary harmony to promote the common goal: The economic reactivation of the country.



ARCE ADDRESSES BAPTIST CLERGY, DISCUSSES STATE COUNCIL

PA282258 Managua Radio Sandino in Spanish 1800 GMT 27 May 80

[Excerpts] We are glad that the Baptist Church has known how to interpret the position of the Sandinist National Liberation Front [FSLN] on freedom of religion, Commander of the Revolution Bayardo Arce Castano stated this morning on opening the seminar which is taking place on Km 26 in Monte los Olivos camp.

This seminar--in which 150 pastors, including several Miskitos, are participating--is being held there with the objective of contributing to a political and [word indistinct] interpretation and reflection of the evangelic Christians of Nicaragua.

Commander Arce Castano broached the topic of the State Council and popular democracy, stressing that the council has sought a broader representation so that all sectors of the people can begin a dialogue and make decisions which will benefit them and the entire nation. He said that during the time of Somoziism these popular sectors did not have the opportunity to play this important role. With the triumph of the revolution, Christians have been given the opportunity to fulfill their role in giving man an identity.

Regarding the State Council, he said that the FSLN considered that it should represent not only the political parties, but all the sectors, including those which do not fervently favor the revolution.

He said it is rare to see countries where there is such a democratic representation as that which exists in the State Council--the core of the people's power. He announced that in our country the State Council will take before its representatives those government officials against whom people lodge complaints.

On the matter of medical assistance to the people, he said that the respective officials will also be called. After expounding on the State Council and popular democracy, Commander Arce Castano appealed to the evangelic pastors to take this message to their communities and expressed the appreciation of the FSLN to them.

RAMIREZ RESTATES INTEREST IN 'MIXED ECONOMY'

PA211753 Panama City ACAN in Spanish 1727 GMT 20 May 80

[Text] Managua, 20 May (ACAN-EFE)--The Higher Council of Private Enterprise (COSEP) is concerned over the "threat of having a communist dictatorship in Nicaragua similar to the Cuban one." The COSEP pronouncement came yesterday as Sergio Ramirez Mercado, member of the government junta, restated the government's interest "in a sort of mixed economy."

The Nicaraguan Government official said that the nationalized banks have granted large credits since the Sandinist victory to the private agricultural and livestock, business and industrial sectors in Nicaragua.

Ramirez Mercado also noted that the National Financial System has renegotiated "in soft terms" the private sector's remaining need for credit to grant new loans to private businessmen. He also said international funds have been poured into the private sector here by the World Bank, the IDB and the Agency for International Development.

The junta member added that now the state owns a large amount of stock in private business in which the Somoza family owned interests. "The government expropriated the stock belonging to the Somoza family but retained participation by the private sector," he said. "These are examples of how the revolution advocates the participation of the private sector in local production activities," he went on.

He reported that there are national businessmen who want to tackle the situation "through partisan politics, but we cannot yield on those grounds." Thus Ramirez Mercado made a "general" comment on the report published in the Costa Rican newspaper LA NACION about statements made to the paper by Nicaraguan businessmen.

Meanwhile COSEP released its pronouncement on the appointment of conservative Attorney Rafael Cordoba Rivas and economist Arturo Cruz to the government junta. The junta now has five members as it did before Violeta Chamorro and Alfonso Robelo resigned. The businessmen noted that the "COSEP was not involved" in the government's decision but commended the appointees "trusting that they will uphold freedom, justice and democracy."

The businessmen's statement does not mention international reports on the alleged withdrawal of COSEP from the State Council. With the exception of Jose Francisco Cardenal, the other COSEP delegates on the State Council will stay.

The prevailing official view yesterday about the withdrawal of Cardenal who represented the Nicaraguan Chamber of Construction was that Benjamin Lanzas, his alternate, should fill his vacancy.

It was also learned in political circles here today that the Nicaraguan Social Christian Party led by Adan Fletes might decide to join the State Council, an auxilliary legislative body in this country which began its sessions on 4 May, today.

CSO: 3010

MINISTER EXPLAINS NEW LAW FOR STIMULATING SMALL INDUSTRIES

PA170127 Managua BARRICADA in Spanish 11 May 80 p 6

[Text] During a news conference yesterday, Industries Minister Fernando Guzman defined the provisional law for the stimulation and rehabilitation of small industrial production and crafts as a measure adopted by the revolutionary government specifically to encourage our country's small producers.

Guzman said that during the Somozist period, the government never attributed importance to the small producer and instead submitted him to cruel exploitation. Today, the revolution wishes to give full support to the small producers, since they are the ones who have greatest contact with the workers. The minister said that formerly there was no strategy for really getting to know the small producers and their importance within the development of the national economy.

Guzman said the ministry which he heads has paid special attention to the small producing sector.

He said it is precisely the small producers who develop the food, shoes and clothing industries and some areas of construction and furniture making. The production of all these articles represents a savings in foreign exchange for our country, since most of these articles are imported, causing economic losses. Moreover, the small industries sector provides some 80,000 jobs for our workers and represents almost 50 percent of national production. All these aspects of small industry had not been taken into account.

The provisional law for the stimulation, rehabilitation and protection of small industry provides a means of effective support for all associative forms of production.

The Provisional Law

The provisional law for the stimulation, rehabilitation and protection of small industry will benefit the following industrial or craft activities: Industrial or craft collective enterprises, cooperatives for servicing small enterprises and nonassociated small industrial or craft enterprises.

The categories of associated enterprises will be defined as follows:

The industrial or craft collective enterprise is an economic unit in which the means of production are owned by the Nicaraguan people and administered by the state, the workers of the enterprise and the mass organizations.

Economic profits from this unit will be used to expand the enterprise or to finance collective welfare projects. The use of these profits will be determined by the Ministry of Industries.

The industrial production cooperative is an associative form in which the means of production are owned collectively by the workers and are administered by them. Profits will be distributed among the members according to the work performed.

Cooperatives for servicing small industrial or craft enterprises are organizations that will insure the supply of raw material and marketing of the products. Their means of production are individually owned and one part of the profits goes to the owners of the enterprises while another part is allocated for the cooperative fund.

The small non-associated industrial or craft enterprise has the following characteristics:

1. The process of production or processing is based on a specific technology which primarily uses manual tools.
2. The owner of the enterprise carries out administrative or technical duties.
3. Domestic or Central American raw materials are used.
4. A maximum of 30 workers are employed in the production process.
5. The fixed assets of the enterprise are no more than 30,000 cordobas.

Craft activity consists of the transformation of goods by means of a process in which personal involvement is the predominant factor, and the end product reflects the personal and artistic skill of the worker.

All small industries and craft enterprises which meet the foregoing criteria will be exempt from customs duties and other taxes imposed on imported tools, equipment, utensils, raw material and packaging of any type.

In the case of industrial collective enterprises, this exemption will be 100 percent; for cooperatives, 75 percent; for service cooperatives, 50 percent and for nonassociated craft enterprises, 20 percent. There will continue to be a 100 percent tax exemption on imported machinery for all small industries.



Similarly, the Industry Ministry will establish a fund with internal and external resources to channel loans to industrial or craft enterprises through the national financial system.

The amounts, payment dates and rates of interest of such financing will be specified by decree after approval by the Central Bank of Nicaragua.

The office of small enterprise and crafts of the Ministry of Industry will determine the means by which the need for raw material will be met through the signing of production agreements.

Enterprises wishing to be covered by this law must present to the small industry and crafts office their economic and financial data, demonstrate that they meet minimum requirements in hygiene and industrial security and meet the wage scale stipulated by the Labor Ministry.

CSO: 3010

## BRIEFS

NEW STATE IMPORTING ENTERPRISE--The Nicaraguan Imports Enterprise [Empresa Nicaraguense de Importaciones--EIMPORT] will benefit the vast majorities in our country. It will be in charge of importing items required by our people. This fact has been confirmed by Alvaro Guzman, foreign trade deputy minister. [Begin Guzman recording] The Nicaraguan Imports Enterprise has already been legally formed under a law-decree issued by the junta. We are proceeding to (?incorporate it into) the Foreign Trade Ministry and to begin operations. Companero Jorge Chamorro has been named as its director. This will be a [word indistinct] discretionary state importing enterprise which will initially devote its efforts to (?arranging for) the importation of goods both by the central government and the people's property arena. To a certain extent, these are problem goods, so to speak, because of the difficulty in obtaining suppliers or because of the large number of entities which import these goods at the same time. All imports made by the central government will be made in a single package through EIMPORT, which is a decentralized state institution. [End recording] [Text] [PA141900 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 14 May 80]

DEBT RENEGOTIATION TALKS 'POSITIVE'--Alfredo Cesar, director of the National Financing System, has called the results of the fourth meeting to renegotiate our foreign debt very positive. The meeting was held recently in Mexico. [Begin Cesar recording] What we did at the meeting was to continue the process of negotiations and we heard the counterproposals by the banks concerning this. We achieved considerable progress, but there are still other aspects on which we have not yet reached agreement. We last spoke with bankers here in Managua in March. The interest rates mentioned then were about 20 percent. Now, in the past 5 or 6 weeks, these interest rates have dropped to 11 and 3/4 percent, which is a little less than 12 percent, which means a drop of 7.5 within a period of 5 to 6 weeks. These rates have been offered basically because of the revenue obtained from the oil surpluses of the oil-exporting countries which are estimated this year at \$115 billion [words indistinct] and which involves a large sum of money that has resulted in a reduction of interest rates on the world level. In this last meeting we agreed to meet again with the banks in the middle part or the 3rd week of June in Mexico City, which is the site selected for this negotiation. Thus, we have taken another step forward in this renegotiation and have another meeting pending for next month. [End recording] [Text] [PA202131 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 20 May 80]

**INCOME FROM COFFEE EXPORTS**--Foreign exchange totaling more than \$173 million has been obtained by Nicaragua this year with its coffee exports from the last harvest. Some 896,320 quintals of coffee have been exported to date by Nicaragua which signifies for our country foreign exchange income of \$173,082,537. The Nicaraguan Coffee Enterprise [ENCAFE] expects to export by the end of next month 1 million quintals which are available for exportation in the coming weeks. The data corresponds to the 1979-1980 coffee harvest period. Thus far, the countries that appear to be the biggest buyers of our coffee are the FRG, 736,451 quintals; the United States, 293,675 quintals; the Netherlands in third place with 114,796 quintals and other countries including four socialist nations. [Text] [PA202242 Managua Radio Corporacion in Spanish 1200 GMT 19 May 80]

**SUGAR HARVEST, EXPORTS**--Nicaragua will export over 1 million quintals of sugar this year. With the sugar harvest drawing to a close, five sugar mills in the people's property area have already produced over 1 million quintals valued at approximately \$13 million. Total production, including that of the private mills, will be 3,725,000 quintals, of which 2,157,000 will be used to meet the local demand. Despite the war and need to repair the equipment, production has dropped only 16 percent when compared to last year's output. [Managua Radio Sandino in Spanish 0300 GMT 31 May 80]

**CLERGY DISCUSS POPE'S ORDER**--Our loyalty to the church and our loyalty to the poor cannot be contradictory. Reiterating their profound unity with the church and always siding with the poor, priests and religious personnel working for the government released a communique addressed to the Nicaraguan people today revealing that they are talking with the bishops about the latest pastoral letter. In the letter, the Nicaraguan Episcopal Conference stated that after the emergency experienced during the struggle against the Somoza dictatorship the clergy should focus on the Gospel and catechetical work, as Pope John Paul II wants. [Excerpt] [PA241557 Managua Radio Sandino in Spanish 0300 GMT 24 May 80]

**CHURCH SUPPORT FOR CHANGES**--Commander of the Revolution Daniel Ortega Saavedra and Foreign Minister Miguel d'Escoto Brockman today established Nicaragua's political position on the socioeconomic conditions which prevail in most of the Latin American countries. Commander Ortega, member of the Government Junta of National Reconstruction, came out in support of the existence of a Catholic Church that works for a change in the oppressive structures for the benefit of the oppressed. During a meeting held yesterday with the delegates of the Latin American Episcopal Church, Commander Ortega praised the spiritual values of the Nicaraguan Catholic Church for helping to change the structures in our country through its direct participation in the anti-Somozist struggle, describing it as an example for the Latin American people. Foreign Minister d'Escoto said that the Sandinist revolutionary government wishes to have closer fraternal bonds with all the peoples of the world, especially with those which are heroically struggling for their liberation. The policy of fraternal relations with the Latin American peoples and the independence of this policy paved the way for

the completely democratic and popular course of the Nicaraguan revolutionary process, said the foreign minister. [Text] [PA151835 Managua Domestic Service in Spanish 0330 GMT 13 May 80]

**FORESTRY RESOURCES NATIONALIZED**--The Junta of the Government of National Reconstruction has announced the nationalization by decree of the nation's forestry resources. For many years, Somozists distributed our forests, mines and other natural resources. Foreign companies, mainly owned by North Americans or Cuban worms, came here to sack our resources, particularly our pines and hardwoods. The indiscriminate felling of trees destroyed large sectors of our jungles and forests. These firms also exploited our workers with unjust wages. That is how concessions were distributed among foreign companies and some of the local firms, such as Somozista Donald Spencer and his son, who owned some of the largest concessions. Nearly two-thirds of the national territory are in the hands of national and foreign companies for the exploitation of our forests. As of 21 May of this year, however, all this exploitation is over. All the nation's forestry resources have been nationalized. Article 14 of the law creating the people's forestry corporation decrees the nationalization of the forestry sector; consequently, all concessions granted for forestry exploitation in effect at the promulgation of the law were cancelled and declared legally void. The state will indemnify the concessionaires for improvements made on the concession when legally justified. The law derogates any disposition or decree contrary to it. [Text] [PA241654 Managua Radio Sandino in Spanish 1200 GMT 24 May 80]

**POPULAR GROUPS IN PROGRAMMATIC COMMITTEES**--The popular organizations are actively participating in the coordinating programmatic committees and have already presented the government junta with a list of job classifications establishing uniform salaries for public employees. The programmatic committee for employment and salary, in which companeros from the Sandinist Workers Central (CST) are participating actively, has held very productive work meetings. According to Companero Juan Gonzalez, of the CST General Secretariat, in the labor sector, where he has been assigned, studies and analyses have been conducted and discussions have been held on the economic impact of a wage increase for 130,000 urban employees and 150,000 in the rural areas. As to the current minimum wage list, Gonzalez explained that it is being studied by the programmatic commission for employment and salary, as this list of wages presents enormous contradictions and it is necessary to eliminate it. He added that 15 days ago the government junta received a list of job classifications establishing uniform salaries for public employees in order to avoid existing differences. This participation by the mass organizations in the programmatic committees--as well as that by delegates from other ministries, whose tasks are related to their field of work--is aimed at planning and establishing work guidelines through a collective agreement rather than a ministerial decision. The mass organizations represented in the various coordinating committees play an important role due to their ties with the rank and file, a fact that makes it possible to learn about the workers' needs. [Text] [PA292226 Managua Radio Sandino in Spanish 0300 GMT 28 May 80]



ATC REQUESTS WAGE INCREASE--It is now 26 days since the Farmworkers Association (ATC) secretary general asked the government junta at the 1 May celebrations to approve a wage increase for workers. On the basis of that request, the workers have been waiting for the junta's response, but so far it has not been received. A group of farmworkers, representing Managua's cattle sector, showed up today in our offices to let the government junta know that they expect the wage readjustment to be approved before the end of May. Here is Companero Marco Gonzalez, a worker at the Martires de Chiloa ranch: [Begin recording] We, the ATC members, have decided to make this request to our government junta. ATC Secretary General Companero Eduardo Garcia first proposed this on 1 May. Today is 27 May, and our request to our government junta has not yet been fulfilled. Through this channel we ask the government junta to issue this decree before the end of May. We asked for this decree because we see our needs in the rural areas, the needs of workers, and peasants especially. We ask the government for greater cooperation with our people because if the people are on their side, then they must remain attentive to the problems of our people. We ask our government junta to do everything in their power to help our people, because we need this decree issued as soon as possible, if possible before the end of May. [End recording] [Text] [PA292234 Managua Radio Sandino in Spanish 0300 GMT 28 May 80]

NEW MONTHLY PUBLICATION--Starting today, the official news organ of the Luisa Amanda Espinosa Association of Nicaraguan Women, LA VOZ DE LA MUJER, will be published. This newspaper will be published once a month. Its aim is to allow Nicaraguan women to participate in the revolutionary tasks and to voice their opinions and thoughts without fear. [PA131920 Managua BARRICADA in Spanish 30 Apr 80 pp 1, 3]

COSTA RICAN TEACHERS ARRIVE--A total of 50 Costa Rican teachers arrived in our country ready to participate in the great literacy campaign begun last March. The Costa Rican teachers arrived on 27 May at the Nicaraguan Penas Blancas border post where they were given a special welcome. The ceremony was attended by Education Minister Carlos Tunnerman and a delegation of the National Association of Nicaraguan Teachers. That night the Costa Rican teachers were greeted at the Camino Real Hotel by members of the Nicaraguan Junta of the Government of National Reconstruction and the Sandinist National Liberation Front. Although most of the Costa Rican teachers are elderly, because they are retired, they expressed their desire to render their services in any part of the national territory without asking for preferences in the literacy campaign waged in our country. [Text] [PA300401 Managua Radio Exito in Spanish 1900 GMT 29 May 80]

CST SCHOOL FOR WORKERS--Commander of the Revolution Carlos Nunez, member of the National Directorate of the Sandinist National Liberation Front, and the leaders of the Sandinist Workers Central (CST) opened the CST's Jonathan Gonzalez political and labor training school today. The new education center will hold seminars, talks and labor courses for the CST's 160,000 members. Its objective is to train workers and consolidate the revolutionary process, the leaders said. [Text] [PA192003 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 13 May 80]



**MPN WARNS AGAINST COMMUNISM**--The Nicaraguan Patriotic Movement [Movimiento Patriótico Nicaraguense--MPN], represented by Manuel Alonzo Franco, yesterday issued a press communique here stating that communism means state wrongdoing against the people and that "the free will God gave us through nature does not exist" under such a regime. The MPN adds that the cause of the turmoil in the world is the "utopian irresponsibility of Pharisees eager to seize political power to oppress and to keep the people in their grip in line with the nefarious plans of international communism to destroy the freedom of nations." It notes that a democratic government knows that the only lasting thing is God and that we are openly religious by tradition. Under this philosophical context, God is a transcendental, cosmopolitan and universal being on whom man depends as a magnificent and fruitful creature. The MPN--which has branches throughout Central America, according to Alonzo Franco--warns that fatherland means sovereignty and that the people, who are the only guardians of their fatherland, "must be prepared to face attacks from abroad to preserve our customs, traditions and culture." [Text] [PA251937 Guatemala City PRENSA LIBRE in Spanish 17 May 80]

**NEWSMEN'S SENTENCE APPEAL**--The Supreme Court is studying an appeal presented by the EL PUEBLO newsmen sentenced by Managua Criminal Court Judge Dr Victor Manuel Ordonez. While the Supreme Court rules on the appeal, the Junta of the Government of National Reconstruction disclosed during a news conference today that prison inmates Melvin Wallace, Isidro Telles and Juan Alberto Henriquez have been pardoned. The appeal is being negotiated since the Masaya Court of Appeals has confirmed the sentence meted out by Dr Victor Manuel Ordonez. Melvin Wallace, Juan Alberto Henriquez and Isidro Telles were released yesterday. [Text] [PA042246 Managua Radio Exito in Spanish 1900 GMT 4 Jun 80]

**MILITARY RANKS LAW**--A law creating military ranks for the Sandinist Peoples Army and the Interior Ministry's armed units was promulgated today. At a news conference today at government house, Daniel Ortega, commander of the revolution and member of the government junta, announced the law. According to Commander Ortega, this is a universal need even if it reminds us of the past. He added, nonetheless, that the important thing is not the rank but the service that such a rank implies. Military ranks will be as follows: Honorary ranks: Commander of the revolution, guerrilla commander. Military ranks: Officer ranks--brigade commander, commander, assistant commander, captain, first lieutenant, lieutenant, second lieutenant. Enlisted ranks--first sergeant, second sergeant, third sergeant, first class soldier. [Text] [PA200309 Managua Radio Sandino in Spanish 1800 GMT 19 May 80]

**NEW POLICE COURSE**--The technological, military, political and moral changes in the new courses offered by the Walter Mendoza police academy will contribute to the revolutionary training of the policemen. The new course, which opened on 28 April, has been improved, with greater knowledge and specialization in two fields: Criminology and investigation. The compañeros profiting from this course are young policemen who were chosen by the institution's personnel and cadres section. Compañero Pedro Coronado, assistant

academic director of the academy, explained that the training of policemen in the past did not create awareness of their true role and their consequent behavior. The previous courses lasted 12 weeks, while the new one is 16 weeks and those in criminology and investigation will last 30 weeks. The subjects offered include psychology, police technology, writing, politics, law, traffic, first aid, infantry tactics and personal defense. Another police academy, the Pedro Arauz Palacios, is located at Santa Elena farm and will offer courses for police station chiefs and department chiefs. The station chief course lasts 24 weeks, while the department chief course takes 36 weeks. These courses will start in May. Young officers receiving these courses have been selected for their potential and their ability to inspire respect and obedience. [Excerpts] [PA171254 Managua BARRICADA in Spanish 7 May 80 p 6]

ORTEGA AT OFFICERS' GRADUATION--To strengthen political training and not be taken in by rumors of "stories," since the Sandinist Peoples Army (EPS) should be a wall that will stop any attempt at reaction--these were the concepts outlined by minister of defense and EPS Commander Humberto Ortega Saavedra at a graduation ceremony of officers yesterday. The ceremony took place in the auditorium of the Carlos Aguero Echeverria military school. It was attended by the deputy minister and EPS chief of staff, Guerrilla Commander Joaquin Caudra; Companero Roberto Calderon, officer in charge of personnel of the EPS; Companero Omar Hallesleven, officer in charge of the EPS political-cultural section, and Alvaro Baltodano, officer in charge of EPS combat preparation. The new army officers heard the message of Commander of the Revolution Humberto Ortega Saavedra. Commander Ortega said each of the officers must be vigilant, observe revolutionary conduct, be humble and be in contact with the nation's political and economic reality. Likewise, the EPS commander pointed out that it is necessary to hold high the banner of unity of the humbler people. The Sandinist commander noted that the graduation of the new officers, 9 months after the Sandinist triumph, is a boost for the Sandinist National Liberation Army National Directorate. This stimulus arises from having done this despite great limitations and difficulties. He added that this course was only a first step toward improvement because as the revolution progresses new courses will be added. [Excerpt] [PA171302 Managua BARRICADA in Spanish 7 May 80 p 5]

TORTURE IN PRISONS--(?San Jose), 17 May (ACAN-EFE)--Adan Fletes Valle, president of the Nicaraguan Human Rights Commission, has charged that torture exists in his country, reports the Costa Rican newspaper LA REPUBLICA today. Fletes met with Rafael Alberto Grillo Rivera, president of the Legislative Assembly (?in San) Jose. Fletes, who is president of the Nicaraguan Social Christian Party (PSC) charged that even Nicaraguan Interior Minister Commander Tomas Borge has been forced to admit that there is torturing in the prisons. He also said, according to the newspaper, that several political organizations, which include his own party the PSC, the Nicaraguan Democratic Movement (MDN) and the Democratic Conservative Party, are not participating in the State Council (colegislador organ) because they disagree with the way it was established, giving a simple majority to

the Sandinist National Liberation Front [FSLN]. It was because of these differences that MDN leader Alfonso Robelo Callejas left his post on the Junta of the Government of National Reconstruction in April. "We have examined the problem of the government junta, and observed that it does not represent the pluralist position guaranteed by the historic commitment contained in the program of government of national reconstruction endorsed by the FSLN," stated Fletes in reporting on his meeting with the president of the Costa Rican Parliament, according to the newspaper. [Text] [PA180430 Panama City ACAN in Spanish 1833 GMT 17 May 80]

POLICE UNDERGOING PURGE--The police will spend 1 million cordobas to purchase 15 patrol cars, Companero Enrique Schmidt, responsible for the Sandinist Police, has said. He remarked that there are 12 cars for surveillance in Managua now. This purchase will partially meet the need for more surveillance. Schmidt added that 180 policemen have been arrested as part of the purge of the police to provide better service. The reasons for the arrests have been drunkenness, causing scandal and robbery. They will be severely punished, Schmidt stated. [Text] [PA201548 Managua Radio Sandino in Spanish 1200 GMT 20 May 80]

CSO: 3010

END

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WORLDWIDE SERIAL REPORTS

WORLDWIDE REPORT: Environmental Quality  
WORLDWIDE REPORT: Epidemiology  
WORLDWIDE REPORT: Law of the Sea  
WORLDWIDE REPORT: Nuclear Development and Proliferation  
WORLDWIDE REPORT: Telecommunications Policy, Research and Development

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